



Nonresident and Part-Year Resident Income Tax Return

New York State • City of New York • City of Yonkers

IT-203-I Instructions

Instructions for Form IT-203

Highlights for 1990 *(see page 2)*

- New York State and City of New York Household Credit Simplified
- Nonobligated Spouse Can Now Recover Refund After Return Has Been Filed
- Tax Surcharge on City of New York Residents
- Paid Preparers Subject to New Penalty
- New Line on Form IT-203 for Public Employee 414(h) Retirement Contributions *(see instructions for line 21 on page 13)*
- Lines for ACRS and New York State Depreciation No Longer Identified on Form IT-203
- Reporting Change for Partners and New York S Corporation Shareholders With a Change of Resident Status
- Revised Treatment of Rail or Motor Carrier Employee Compensation

From the Commissioner

The top tax rate for 1990 remains at 7.875%, matching its lowest level in thirty years. Standard deduction amounts remain at \$6,000 for single filers who are not dependents, \$7,000 for heads of households and \$9,500 for married filers.

This year's standard deduction amounts may be higher than your itemized deductions, so even if you itemized your deductions on your federal Form 1040 and plan to claim the New York itemized deduction on Form IT-203, you may benefit by claiming the New York standard deduction instead.

The individual lines for the accelerated cost recovery system (ACRS) deduction and New York State depreciation have been removed from Form IT-203, and a new line for public employee 414(h) retirement contributions has been added. If you are a Tier III or Tier IV member of the New York State or New York City Retirement Systems (including the New York State and New York City Teachers' Retirement Systems) or an employee of the State or City University of New York who belongs to the TIAA/CREF Optional Retirement System or a New York City uniformed force member (police, firefighters, corrections officers and transit, housing authority and sanitation police), you have to report the amount of your 414(h) retirement contributions on your return. The amount to report is shown on Copy 2 of your wage and tax statements, Form IT-2102 or federal Form W-2.

There are also new tables in the instructions this year for the New York State household credit. The table you use, based on your filing status, allows you to find the amount of your credit without doing any computations.

A tax surcharge has been built into the tax tables for City of New York resident filers. The amount of this surcharge will depend on your filing status and level of taxable income.

If you are married and do not want to apply your part of a tax refund to a defaulted student loan or past-due spousal or child support liability owed by your spouse, complete Form IT-280, *Nonobligated Spouse Allocation*, and attach it to your return. Beginning with tax year 1990, if your share of a refund is applied against your spouse's defaulted student loan or past-due spousal or child support liability and you do not attach Form IT-280 to your return, we will notify you. You will then have ten days to file Form IT-280 to recover your share of the refund. Previously, if Form IT-280 was not attached to your original return, you could not recover your share of the refund. To avoid a delay in receiving your refund, however, you should file Form IT-280 with your original return.

One final reminder -- if you received your tax packet in the mail, be sure to attach the peel-off label that came with it to your return when you send it in. If your name or address is incorrect, make any corrections directly on the label. If any other information is missing, or if you do not have a label, enter the information in the spaces provided at the top of Form IT-203.

There is more information on these changes inside these instructions. I urge you to review them carefully to be sure you are taking advantage of any benefits that you may be entitled to.

If you need help, call toll free (from New York State only) 1 800 CALL TAX (1 800 225-5829). From areas outside New York State, call (518) 438-8581. Trained technicians are on hand to answer any questions you may have about filing your 1990 New York State income tax return.

James W. Wetzler,
Commissioner

Form IT-203 Highlights for Tax Year 1990

The top tax rate for 1990 remains at 7.875%. Standard deduction amounts remain at \$6,000 for single filers who are not dependents; \$7,000 for heads of households; and \$9,500 for married filers.

Specific changes affecting Form IT-203 filers for tax year 1990 include the following:

- **New York State and City of New York Household Credit Simplified**

The household credit worksheets used to calculate the amount of the credit for both New York State and New York City have been replaced by simplified tables. The table you use, based on your filing status, allows you to quickly and accurately determine the amount of your allowable household credit without computations.

- **Nonobligated Spouse Can Now Recover Refund**

Beginning with the 1990 tax year, if your share of a jointly claimed tax refund is applied against a defaulted student loan or past-due spousal or child support liability that was incurred by your spouse, and you did not attach Form IT-280, *Nonobligated Spouse Allocation*, to your return, we will notify you. You will then have ten days from the date of notification to file Form IT-280 to recover your share of the refund. **To avoid a delay in receiving your refund, however, you should attach Form IT-280 to your original return.** For more information, see page 20 of these instructions.

- **Tax Surcharge on City of New York Residents**

Beginning with the 1990 tax year, a tax surcharge has been built into the city of New York tax rates. The amount of the surcharge, determined by your filing status and level of taxable income, applies only to that portion of your income earned while you were a New York City resident.

- **Paid Preparers Subject to New Penalty**

Beginning with the 1990 tax year, a penalty of \$50 per return or claim for refund will be assessed a paid preparer for failure to comply with certain requirements. For more information, see *Penalties and Interest* on page 7 of these instructions.

- **New line on Form IT-203 for Public Employee 414(h) Retirement Contributions**

A line was added to Form IT-203 for 1990 to report the amount of public employee 414(h) retirement contributions made by Tier III and Tier IV

members of New York State and New York City retirement systems (including the New York State and New York City Teachers' Retirement Systems), employees of the State or City University of New York who belong to the TIAA/CREF Optional Retirement System and New York City uniformed force members. 414(h) retirement contributions are not subject to federal income tax. However, these contributions are still subject to New York State, New York City and Yonkers taxes. You must add the amount of these contributions to the income on your New York State income tax return. For more information, see the instructions for line 21 on page 13.

- **Lines for ACRS and New York State Depreciation No Longer Identified on Form IT-203**

The adjustments for accelerated cost recovery system (ACRS) deduction and New York State depreciation are no longer identified on Form IT-203. If you file Form IT-399, *New York State Depreciation*, your ACRS addition will now be included in the amount on line 22, and your New York State depreciation subtraction will now be included in the amount on line 28 of Form IT-203. For more information, see pages 13, 14 and 15 of these instructions.

- **Reporting Change for Partners and New York S Corporation Shareholders With a Change in Resident Status**

Beginning with the 1990 tax year, if you were a partner or a New York S corporation shareholder and changed your resident status during the tax year, you must determine your distributive or pro rata share of partnership or S corporation items according to your resident status when the tax year of the partnership or S corporation ends.

- **Rail or Motor Carrier Employees**

Compensation paid on or after July 6, 1990, by an interstate rail carrier, an interstate motor carrier or an interstate motor private carrier to an employee who works in more than one state is subject only to the income tax laws of the employee's state of residence for state and local income tax purposes.

How Nonresidents and Part-Year Residents are Taxed

If you were a nonresident of New York State and received income in 1990 from New York State sources, or if you moved into or out of New York in 1990, you must file Form IT-203, *Nonresident and Part-Year Resident Income Tax Return*. You are subject to New York State tax on income you received from New York sources while you were a nonresident

and on all income you received while you were a New York State resident.

First, you must compute a base tax as if you were a resident of New York for the entire year, including items of income, gain, loss and deduction from all sources. You must then divide your New York source income by

your federal adjusted gross income to determine an income percentage. The base tax is multiplied by the income percentage to arrive at the amount of tax apportioned to New York based on New York source income.

If you were a resident of New York for all of 1990, you should get a resident income tax return, Form IT-200 or Form IT-201.

Who Must File

New York Nonresidents

You must file a New York State return, Form IT-203, if you meet any of the following conditions:

- You have New York source income included in your federal adjusted gross income and your federal adjusted gross income plus New York additions is more than your New York standard deduction.

New York source income is the sum of the net amount of items of income, gain, loss and deduction derived from or connected with New York sources, including your share of those items from partnerships, S corporations and estates and trusts. See *New York Source Income* on this page for more information.

- Your federal filing status is:

and you had New York source income, and your federal adjusted gross income (plus New York additions)* is more than:	single, and you can be claimed as a dependant on another taxpayer's federal return \$2,800 single, and you cannot be claimed as a dependent on another taxpayer's federal return \$6,000 married filing joint return \$9,500 married filing separate return \$4,750 head of household \$7,000 qualifying widow(er) \$9,500
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* (New York additions are explained on pages 13 and 14 of these instructions; see the federal instructions to find your filing status and figure your federal adjusted gross income if you do not have to file a federal return.)

- You want to claim a refund of any New York State, city of New York or city of Yonkers income taxes withheld from your pay.
- You are subject to the minimum income tax on tax preference items derived from or connected with New York sources. For further information, see *Other Forms You May Have to File* (Form IT-220, *Minimum Income Tax*) on page 5 of these instructions.
- You are subject to a separate tax on any lump-sum distributions derived from or connected with New York sources. See

Other Forms You May Have to File (Form IT-230, *Separate Tax on Lump-Sum Distributions*) on page 5 of these instructions.

- You incurred a net operating loss for New York State personal income tax purposes for the tax year without incurring a similar net operating loss for federal income tax purposes.

If you need help, call New York taxpayer assistance toll free (from New York State only) at 1 800 CALL TAX (1 800 225-5829). From areas outside New York State, call (518) 438-8581.

Did you use federal Form 8814 or federal Form 8615 to report your child's investment income?

If you elected to file federal Form 8814 with your federal return, the amount of your child's investment income over \$1,000 that was included in your federal gross income must be reported in the *Federal Amount* column of your Form IT-203 and taxed at your rate. In this case, you will not file a New York return for your child. However, it will be to your advantage to file a New York return for your child since there will not be any New York tax on the first \$2,800 of your child's investment income. To qualify for filing a New York return for your child, you must first file a federal return and federal Form 8615 (instead of federal Form 8814) to report your child's investment income.

New York Source Income

Nonresident — The New York source income of a nonresident is the sum of the income, gain, loss or deduction derived from or connected with New York State included in your federal adjusted gross income. This includes income from:

- real or tangible personal property located in New York;
- services performed in New York;
- a business, trade, profession or occupation carried on in New York;
- a corporation in which you are a shareholder and which makes an election under section 660 of the Tax Law to be taxed as an S corporation;
- your distributive share of New York State partnership income or gain; and
- your share of New York State estate or trust income or gain.

New York source income of a nonresident does not include the following income even if it was included in your federal adjusted gross income:

- annuities and pensions which meet the definition of an annuity, unless the

annuity is employed in or used as an asset of a business, trade, profession or occupation carried on in New York;

- interest, dividends or gains from the sale or exchange of intangible personal property, unless they are part of the income you received from carrying on a business, trade, profession or occupation in New York;
- compensation you received for active service in the United States military (see *Members of the Armed Forces* on page 4);
- your income as a shareholder of a corporation which did not have an election in effect to be taxed as an S corporation under section 660 of the Tax Law; or
- your distributive or pro rata share for federal income tax purposes of income, gain, loss or deduction from an insurance business doing business as a member of the New York Insurance Exchange; or
- compensation you received from an interstate rail carrier, interstate motor carrier or an interstate private carrier when you worked in more than one state.

Part-year resident — The New York source income of a part-year resident is the sum of the following with adjustments for the special accruals defined on this page and page 4:

1. all income reported on your federal return for the period you are a resident of New York State; and
2. the New York source income for the period you were a nonresident of New York State.

Part-Year Residents

The filing requirements for part-year residents are the same as for nonresidents. However, the New York source income of a part-year resident is the sum of the following, with adjustments for special accruals (for further information, see *Special Accruals* below):

- your federal adjusted gross income for the period of residence, computed as if your tax year for federal income tax purposes were limited to the period of residence; and
- your New York source income for the period of nonresidence determined as if your tax year for federal income tax purposes were limited to the period of nonresidence.

Special Accruals

If you moved out of New York State, you must accrue any item of income, gain, loss or deduction which, under an accrual method of accounting, would be reportable at the time you changed your residence. This includes income or gain you elected to report on the installment basis. You also have to accrue to New York State items of tax preference subject to the minimum income tax (Form IT-220) and the total taxable amount of lump-sum distributions subject to the separate tax on lump-sum distributions (Form IT-230).

Who Must File *(continued)*

Special Accruals *(continued)*

Accruals are not required if you file a bond or other acceptable security in an amount equal to or greater than the amount of additional New York State income tax that would be due if the accrued items were included on your part-year resident return, and you include the accrued amounts on your New York nonresident return for subsequent tax years as if no change in resident status occurred. If you elect to file a bond or other acceptable security instead of accruing income, you will need Form IT-200, *Surety Bond Form*, or Form IT-260.1, *Change of Resident Status - Special Accruals*. For more information on how to file a bond or other acceptable security, refer to Publication 88, *General Tax Information for New York State Nonresidents and Part-Year Residents*.

As a resident, if you received proceeds from lottery winnings (the amount of winnings less the amount of wager) of more than \$5,000 from the New York State lottery, the proceeds are subject to New York State, New York City (if applicable) and Yonkers (if applicable) income tax withholding. Form IT-2102-G, *Statement for Recipients of Certain Gambling Winnings*, will serve as an acceptable security in lieu of making a special accrual of lottery winnings as required by section 638(c) of the Tax Law.

If you became a New York State resident during the tax year, you must accrue any item of income, gain, loss or deduction which, under an accrual method of accounting, would be reportable at the time you changed your residence, except that no accrual is required or allowed for items of income, gain, loss or deduction derived from or connected with New York State sources.

Any item of income, gain, loss or deduction accrued up to the time you changed your residence must be excluded in determining your New York source income, New York adjusted gross income, minimum taxable income or total taxable amount of lump-sum distributions, for the year of change or any subsequent year.

The New York adjusted gross income of a part-year resident must include special accruals and any applicable modifications (see *New York Additions* beginning on page 13 and *New York Subtractions* beginning on page 14) as if the accrued items were includable or allowable for federal income tax purposes.

Resident, Nonresident and Part-Year Resident Defined

You may have to pay income tax as a New York State resident even if you are not considered a resident for other purposes. For income tax purposes, your resident status depends on where you were domiciled and where you maintained a permanent place of abode during the taxable year.

In general, your *domicile* is the place you intend to have as your permanent home. Your domicile is, in effect, the **state** where your permanent home is located. It is the place you intend to return to whenever you may be away (as on vacation abroad, business assignment, educational leave, or military assignment).

You can have only one domicile. Your New York domicile is not changed until you can demonstrate that you have abandoned your New York domicile and established a new permanent domicile outside of New York State.

If you move to a new location but intend to stay there only for a limited amount of time (no matter how long), your domicile does not change. For example: Mr. Green of ABC Electronics in Elmira, New York, was temporarily assigned to the Atlanta, Georgia branch office for two years. After his stay in Atlanta, he returned to his job in New York. His domicile did not change during his stay in Georgia; it remained New York State.

If your domicile is New York State and you go to a foreign country because of a business assignment by your employer, or for study, research or any other purpose, your domicile does not change unless you show that you definitely do not intend to return to New York. For more information, see Publication 88, *General Tax Information for New York State Nonresidents and Part-Year Residents*.

A *permanent place of abode* is a residence (a building or structure where a person can live) you permanently maintain, whether you own it or not, and usually includes a residence your husband or wife owns or leases. A place of abode is not permanent if you maintain it only during a temporary or limited period of time for a particular purpose.

Resident — You are a New York State resident if:

- Your domicile is not New York State but you maintain a permanent place of abode in New York and spend **184 days or more** in New York during the taxable year. However, if you are a member of the armed forces, and your domicile is not New York State, you are not a resident under this definition; or
- Your domicile is New York State unless you meet **all three** of the conditions in either Group A or Group B as follows:

Group A

- You did not maintain any permanent place of abode in New York State during the taxable year; and
- You maintained a permanent place of abode outside New York State during the entire taxable year; and
- You spent **90 days or less** in New York State during the taxable year.

Group B

- You were in a foreign country for at least 450 days during any period of 548 consecutive days; and
- You spent **90 days or less** in New York State during this 548-day period, and your spouse (unless legally separated) or minor children spent **90 days or less** in New York during this 548-day period in a permanent place of abode maintained by you; and
- During the nonresident portion of the taxable year in which the 548-day period either begins or ends, you were present in New York State for no more than the number of days which bears the same ratio to 90 as the number of days in such portion of the taxable year bears to 548. This condition is illustrated by the following formula:

$$\frac{\text{Number of days in the nonresident portion}}{548} \times 90 = \text{Maximum number of days allowed in New York State.}$$

For more information, see Publication 88, *General Tax Information for New York State Nonresidents and Part-Year Residents*.

Nonresident — You are a New York State nonresident if you were not a resident of New York State for any part of the year.

Part-year resident — You are a New York State part-year resident if you meet the definition of resident or nonresident for only part of the year.

Joint and Separate Returns for Married Taxpayers

If you each filed separate federal returns, you must each file a separate New York State return. If you filed a joint federal return, you generally must file a joint New York State return. However, separate New York returns are required for married taxpayers who file a joint federal return where one spouse was a New York State resident and the other was a nonresident or part-year resident. The New York State resident must use either Form IT-200 or Form IT-201; the nonresident or part-year resident, if required to file a New York return, must use Form IT-203. However, if both of you choose to file as New York residents, you may file a joint New York State resident return.

Members of the Armed Forces

If your permanent home (domicile) was outside New York State when you entered the military, you do not become a New York State resident even if you were assigned to duty in New York State and established a place of abode in New York State. If you are a New York State nonresident, your military pay is not subject to New York State tax. However, any other income that you receive from New York State sources while you are a nonresident (including your spouse's income) may be subject to tax. If you have a civilian job in New York during your off-duty hours, the income you receive is subject to income tax. Income or gain from property located in New York or from a business, trade or profession carried on in this state is also subject to tax.

If your permanent home (domicile) was in New York State when you entered the military, you are still a New York State resident and must file a resident return even if you are presently assigned to duty in another state or country. Generally, your domicile does not change when you are serving temporarily in the armed forces of the United States. However, **if you meet all three conditions in Group A** on this page and want to file for a refund of any New York State income tax withheld, file nonresident Form IT-203 and attach an explanation which contains the following information:

- a statement that you had no permanent place of abode in New York State during the taxable year; and
- the location and a brief description of the permanent place of abode you maintained outside New York State and the beginning and ending dates of your stay there; and
- the exact number of days you were in New York State during the tax year.

Your barracks, bachelor officer's quarters or quarters on ship generally do not qualify as a permanent place of abode.

If you meet all three conditions in Group B on this page and want to file for a refund, file Form IT-203 and attach a statement explaining how you meet the three conditions.

If you are stationed in a foreign country when your return is due and you qualify for an automatic two-month extension of time to file your federal return, you are automatically granted a two-month extension to file your New York return.

Who Must File (continued)

For more information, see Publication 361, *Military Personnel and Veterans*.

City taxes: If you were a New York City or Yonkers resident when you entered the military and if your military pay is subject to New York State income tax, it is also subject to New York City or Yonkers taxes. However, if you meet the conditions for nonresident status, your military pay is not subject to the New York City or Yonkers nonresident earnings tax.

US Nonresident Aliens

If you are a US nonresident alien for federal income tax purposes and are required to file federal Form 1040NR, *U.S. Nonresident Alien Income Tax Return*, you may be required to file a New York State nonresident return, Form IT-203. See *Who Must File* on page 3 of these instructions.

If you must file a New York return and you checked filing status box 3, 4 or 5 on federal Form 1040NR, you must compute your New York State tax as married filing separately and check box 3 on your Form IT-203. It is important to note that some income items and line references used on Form IT-203 do not correspond with those shown on federal Form 1040NR. Item F on the front page of Form IT-203 asks you to enter the number of exemptions from line 6e of your federal Form 1040 or 1040A. For a nonresident alien, the corresponding line to obtain this information is line 7e of federal Form 1040NR. Line 12 of federal Form 1040NR is used to report income from scholarships and fellowships. Since there is no corresponding line on the New York nonresident return, this income should be reported as other income on line 16 of Form IT-203.

Also, if you filed federal Form 1040NR you must itemize your New York deductions. You may **not** claim the New York standard deduction.

Complete your return using the line-by-line instructions beginning on page 9 of these instructions.

Deceased Taxpayers

An executor, administrator or spouse has to file a New York State return for a nonresident or part-year resident taxpayer who died before filing a 1990 return. If a joint federal income tax return was filed for the deceased taxpayer and the surviving spouse, a joint New York State return must be filed on Form IT-203. For more information, see *Joint and*

Separate Returns for Married Taxpayers on page 4. The filing due date is the same as if the taxpayer had lived.

If you are not an executor or administrator and are claiming a refund for a deceased taxpayer, you may have to file Form AU-281.17, *Survivor's Affidavit*. Call or write us for this form. See *How to Get Forms* on page 6 of these instructions.

Estates and Trusts

Estates and trusts are subject to the New York State personal income tax. The fiduciary for an estate or trust must file Form IT-205, *New York State Fiduciary Income Tax Return*. Each nonresident and part-year resident beneficiary of an estate or trust must include his or her share of the estate or trust income, if any portion of that income is derived from or connected with New York sources, on Form IT-203. For more information on responsibilities of beneficiaries, see *Beneficiaries (estates and trusts)* on page 13 of these instructions.

Estimated income tax for estates and trusts - Estates and trusts are required to make estimated tax payments. However, estates are exempt from paying estimated tax for the first two years after the decedent's death. Generally, an estate or trust must pay estimated tax if the estate or trust is expected to owe, after subtracting its withholdings and credits, at least \$100 in New York income tax for 1991 and can expect withholding to be less than:

- 90% of the tax shown on the 1991 return, or
- 100% of the tax shown on the 1990 return (assuming the return covered all 12 months).

A trust fiduciary who makes an election to allocate the trust's estimated tax overpayment among the trust's beneficiaries must file Form IT-205-T. For more information, see the instructions for Form IT-205.

Partnerships

Partnerships are not subject to the New York State personal income tax but individual members of the partnership are. If your partnership has a partner who is a New York State resident, or if the partnership has any income from New York State sources, it must file Form IT-204, *New York State Partnership Return*. If you were a partner with New York

source income, transfer your share of income (or loss), deductions and adjustments from Form IT-204 to your Form IT-203. For more information see Form IT-204-1, *Instructions for Form IT-204*. If your partnership carried on a business in New York City, it may also be required to file Form NYC-204, *City of New York Unincorporated Business Tax Partnership Return*. For more information, see the instructions for Form NYC-204. You can get this form and its instructions by calling the NYC Department of Finance. See *How to Get Forms* on page 6. Since New York State does not administer the New York City unincorporated business tax, do not file your Form NYC-204 with your state return.

Nonresidents of New York City and Yonkers

If you were not a New York City or Yonkers resident but you earned wages or self-employment income in either of these cities and you have to file a New York State income tax return, you must also file Form NYC-203, *City of New York Nonresident Earnings Tax Return*, and/or Form Y-203, *City of Yonkers Nonresident Earnings Tax Return*.

If you are married, you cannot file jointly on Form NYC-203 and/or Form Y-203. If you each have taxable earnings, you must each file a separate Form NYC-203 and/or Form Y-203.

Forms NYC-203 and Y-203 are due the same time as your state return and must be attached to it. For more information, see the instructions for these forms.

Part-Year Residents of New York City and Yonkers

If you changed your New York City or Yonkers resident status during the year, you must complete Form IT-360.1, *Change of City Resident Status*, and pay New York City resident tax or Yonkers resident income tax surcharge for the part of the year that you lived in New York City or Yonkers. If you earned wages in one of these cities or conducted a trade or business there (either as an individual or a member of a partnership) during the part of the year that you were not a New York City or Yonkers resident, you must complete Form NYC-203, *City of New York Nonresident Earnings Tax Return*, or Form Y-203, *City of Yonkers Nonresident Earnings Tax Return*, and pay any tax due. For more information, see Form IT-360.1-1, *Instructions for Form IT-360.1*.

Other Forms You May Have to File

Form IT-203-ATT, Summary of Other Credits and Taxes, Schedule A, Allocation of Wage and Salary Income to New York State and Schedule B, Living Quarters Maintained in New York State by a Nonresident. Complete this form if you are subject to any other New York State or New York City taxes. You can also use this form to claim other New York State credits. You must complete Schedule A on the back of this form if you worked both in and out of New York State for an employer, and your income is not based on the volume of business transacted. You must complete Schedule B on the back of this form if you or your spouse maintained living quarters in New York State during any part of 1990. For more information, see *Instructions for Form IT-203-ATT, Summary of Other Credits and Taxes*, beginning on page 23.

Form IT-220, Minimum Income Tax (Items

of Tax Preference). Complete this form if you have federal tax preference items such as ACRS depreciation, intangible drilling costs, depletion or charitable contributions of appreciated property totaling more than the allowable specific deduction. You may have to file Form IT-220 even if you are not required to file federal Form 6251, *Alternative Minimum Tax - Individuals*. For more information, see the instructions for Form IT-220.

Form IT-221, Disability Income Exclusion. Complete this form to figure the amount of your disability income that may be excluded from income on Form IT-203. To qualify you must have retired due to permanent and total disability and you must not have reached age 65 when your tax year ended. For more information, see Form IT-221.

Form IT-230, Separate Tax on Lump-Sum Distributions. Complete Form IT-230 if you

used federal Form 4972 to figure your federal tax on a lump-sum distribution from a qualified retirement plan. For more information, see the instructions for Form IT-230.

Form IT-399, New York State Depreciation. Complete this form if you are an individual, partnership, estate or trust to figure your New York depreciation deduction for property placed in service during taxable years beginning in 1981, 1982, 1983 and 1984, and for property placed in service outside New York State in taxable years beginning after December 31, 1984 (including property on which ACRS depreciation was figured in accordance with the federal Tax Reform Act of 1986). Also use Form IT-399 to figure your adjustment for the federal ACRS deduction and the year of disposition adjustment. For more information, see Form IT-399.

Other Forms You May Have to File *(continued)*

Form IT-2105, Estimated Income Tax Payment Voucher for Individuals. If you expect your 1991 tax withheld to be less than 90% of your 1991 tax and less than 100% of your 1990 tax (based upon a return covering 12 months), you may have to pay estimated tax. You do not have to pay estimated tax if you expect to owe less than \$100 of New York State or New York City or Yonkers tax after deducting tax withheld and credits that you are entitled to claim. For more information, see Form IT-2105-1, *Instructions for Estimated Income Tax for Individuals*.

If you paid estimated tax for 1990, you will automatically receive a 1991 estimated tax packet in the mail. If you did not pay estimated tax for 1990, or do not receive your packet by the date your first payment is due (generally April 15), call or write us for forms and instructions. See *How to Get Forms* on this page.

Amended Returns or Federal Changes

Generally, an amended return claiming credit for, or a refund of, an overpayment must be filed within three years of the date that the original return was filed, or within two years of the date the tax was paid, whichever is later. However, if you file an amended federal return showing a change in your taxable income, tax preference items, total taxable amount or capital gain or ordinary income portion of a lump-sum distribution, or credit for child and dependent care expenses, you must also file an amended New York State return within 90 days from the date you amend your federal return if the change increases or decreases your New York State tax.

You must also file an amended return to correct any error on your original nonresident

and part-year resident return and to report changes made by the Internal Revenue Service.

If the Internal Revenue Service changes the taxable income, tax preference items, total taxable amount or capital gain or ordinary income portion of a lump-sum distribution, or disallows your refund claim or credit for child and dependent care expenses that you reported on your federal return and the change increases or decreases your New York State tax, you must report these changes to the New York State Tax Department within 90 days from the date the Internal Revenue Service makes its final determination. Attach a copy of the federal report of examination changes and a signed statement indicating you concede the federal audit changes. If you do **not** concede the federal audit changes, attach a signed statement explaining why.

To amend your original Form IT-203, get a blank Form IT-203 for the tax year involved and write **Amended** at the top of the front page. Complete the form by entering the corrected information. Attach payment for any additional tax plus interest that may result from these changes. Send it to: NYS Income Tax, W. A. Harriman Campus, Albany, NY 12227-0125.

Since we cannot act on your amended return until we have completed the processing of all original returns, there may be some delay in processing your amended return.

For more information, see Publication 380, *How to Amend Your New York State Income Tax Return*.

Form CT-33-D, Tax on Premiums Paid or Payable to an Unauthorized Insurer on Risks Located Within New York State. Complete this form if you have purchased or

renewed a taxable insurance contract from an insurer not authorized to transact business in New York State under a Certificate of Authority from the Superintendent of Insurance. You will be liable for a tax of 3.6% of the premium. The return must be filed within 60 days following the end of the calendar quarter in which the contract was purchased or renewed. For more information, see Form CT-33-D and TSB-M-90(9)C.

How to Get Forms

You can get forms and publications at many banks and public libraries, or by using the *Forms Order Blank* in the tax packet mailed to you. You can also get forms by calling toll free (from New York State only) 1 800 462-8100. From areas outside New York State, call (518) 438-1073. If you want to write instead of calling, address your letter to **NYS Tax Department, Taxpayer Assistance Bureau, W. A. Harriman Campus, Albany, NY 12227.**

If you need to get forms and instructions from the **NYC Department of Finance**, you can get them by calling their Taxpayer Assistance at (718) 935-6000 or by visiting the NYC Department of Finance, Forms Distribution Window, 25 Elm Place, 3rd floor, Brooklyn, NY from 9 a.m. to 5 p.m., Monday through Friday. The NYC Department of Finance also operates an automated New York City tax forms ordering service, 24 hours a day, seven days a week; call (718) 935-6739.

Reminders

Refunds

Even if you do not have to file a return, you should file to get a refund if New York State, New York City or Yonkers income taxes were withheld from your pay.

Name and Social Security Number

You must enter your name and social security number on all forms you send to us. **If you are making a payment, write your social security number and 1990 income tax on your check or money order.**

Whole Dollar Amounts

You may round all money items on your return to the nearest dollar. For example, round \$10.49 to \$10; round \$10.50 to \$11. If you round to the nearest dollar, round for all amounts.

Wage and Tax Statements

Your employer must give you a wage and tax statement — either federal Form W-2 or New York State Form IT-2102. This statement shows your total earnings and the amount of New York State, New York City and Yonkers taxes withheld from your pay during the year.

If you received periodic annuity, pension, retired pay or IRA payments and income tax was withheld, the payer must give you a statement, either federal Form W-2P or New York State Form IT-2102-P. This statement

shows the amount of your gross and taxable retirement plan payments, and the New York State, New York City and Yonkers tax withheld from your payments during the year.

If you received payments of lottery distributions or horse racing proceeds and income tax was withheld from those payments, you will receive federal Form W-2G or New York State Form IT-2102-G, *Statement for Recipients of Certain Gambling Winnings*. This statement shows your total payments and the amount of New York State, New York City and Yonkers taxes withheld during the year.

You must attach Copy 2 of your wage and tax statement(s) to the area indicated on the front of your return. If you have not received your statement by February 15, 1991, or if it is incorrect or lost, contact your employer.

Paid Preparers Must Sign Your Return

Anyone you pay to prepare your return must sign it and fill in the other blanks in the paid preparer's area of your return. The preparer required to sign your return must sign it by hand; signature stamps or labels are not acceptable. If someone prepares your return and does not charge you, that person should not sign it.

Paid preparers may be subject to a penalty for failure to comply with certain requirements. For more information, see *Penalties and Interest* on page 7.

Paid tax return preparers should get Publication 50, *Information for Paid Preparers of New York Income Tax Returns*, for more details.

Computer Filled-In Returns

If you use a computer to fill in your return, be sure you meet these requirements:

- If you do not use the official income tax forms that we provide, any computer-generated form you use must comply with the guidelines in Publication 75, *Specifications for Reproduction of 1990 New York State Income Tax Forms*.
- Your software must conform to current federal and state income tax laws.

Don't Delay Your Refund

We want to send your refund to you as soon as possible. You can help us by filing an error-free return. This way, we will not have to send your return back to you for your signature or ask for other information such as your wage and tax statements or your correct filing status. Please check the figures on your return and carefully follow steps 5, 6, 7, 8 and 9 on pages 20 and 21 of these instructions.

Penalties and Interest

Interest — Daily compounded interest will be charged on income tax that is not paid on or before April 15, 1991, even if you received an extension of time to file your return. Interest is a charge for the use of money and may not be waived.

If we have to pay interest to you because we don't issue your refund check by July 15, 1991 (or, if your return is filed after April 15, 1991, within 3 months from the date it is filed), it also will be compounded daily. However, we will not pay interest to you if your return cannot be processed. To be processed, your return must show your name, address, social security number, signature and the information needed to mathematically verify your tax liability.

Late filing penalty — If you file late, you will be charged a penalty of 5% of the tax due for each month, or part of a month, the return is late, up to a maximum of 25%, unless you extend the time to file or attach to your return an explanation showing reasonable cause for the delay. If your return is more than 60 days late, this penalty will not be less than the lesser of \$100 or 100% of the amount required to be shown as tax due on the return, reduced by any tax paid and by any credit which may be claimed. For information on getting an extension of time to file your return, see *When to File* below.

Late payment penalty — If you do not pay your tax when due, you will be charged a penalty of 1/2 of 1% of the unpaid amount for each month or part of a month it is not paid, up to a maximum of 25%. This penalty is in addition to the interest charged for late payments.

This penalty may not be charged if you attach to your return an explanation showing reasonable cause for paying late.

If you figure your tax incorrectly — You may have to pay a penalty if the tax you report on your return is **less** than your correct tax. If you are off by more than 10% or

\$2,000, whichever is more, you may have to pay this penalty. The penalty is 10% of the difference between the tax you reported and the tax you actually owe.

Underpayment of estimated tax penalty —

If your 1990 withholding and estimated tax payments do not equal at least 90% of your 1990 tax or 100% of your 1989 tax (based upon a return covering 12 months), you may be subject to a penalty for underpayment of estimated income tax. Attach Form IT-2105.9, *Underpayment of Estimated Income Tax by Individuals and Fiduciaries*, to show how you figured the penalty, or which exceptions to the penalty apply. For more information, see the instructions for Form IT-2105.9.

Negligence penalty — If your return does not show all of the tax imposed under the Tax Law, its rules or regulations, due to negligence or intentional disregard but not with intent to defraud, you will be charged a penalty of 5% of any deficient amount. In general, a deficiency is the difference between the correct tax and the tax shown on your return. In addition, 50% of the interest due on any underpayment resulting from negligence will be added to your tax.

Fraudulent returns — If any part of a deficiency is due to fraud, you will be charged a penalty of 50% of the deficiency. In general, a deficiency is the difference between the correct tax and the tax shown on your return. In addition, 50% of the interest due on any deficiency resulting from a fraudulent act will be added to your tax.

Frivolous returns — A penalty of up to \$500 will be imposed on any person who files a frivolous tax return. A return is considered frivolous when it does not contain information needed to judge the correctness of the tax return, or reports information that is obviously and substantially incorrect, and intended to delay or impede the administration of Article

22 of the Tax Law or the processing of the return. This includes altering or striking out the preprinted language above the space provided for your signature. This penalty is added to any other penalty provided by law.

Failure of paid preparers to conform to certain requirements — A penalty of \$50 per return or claim for refund will be assessed a paid preparer for failure to comply with any of the following requirements:

- failure to sign the tax return or claim for refund;
- failure to include the identifying number of the paid preparer (if an individual paid preparer is an employee of an employer or a partner in a partnership that is a paid preparer, the return or claim for refund must also include the identifying number of the employer or partnership);
- failure to furnish a completed copy of the tax return to the taxpayer not later than the time the return is presented for the taxpayer's signature;
- failure to keep a completed copy of the return prepared for each taxpayer or to keep the name and identification number of each taxpayer for whom a return was prepared on a list and to make the copy or list available for inspection upon request.

The period for keeping a completed copy of the return or information on the list is three years after the due date of the return (without regard to extensions) or three years after the date the return was presented to the taxpayer for signature, whichever is later.

For each of the requirements listed above, a paid preparer may be subject to a maximum penalty of \$25,000.

When to File

File your return as soon as you can after January 1, 1991, but not later than the due date, **April 15, 1991**. (If you are required to file your 1990 federal return at the IRS Service Center in Andover, Massachusetts, the filing deadline for your 1990 return is April 16, 1991.) If you file late, you may have to pay penalties and interest. See *Penalties and Interest* above.

Extension of time to file — If you know that you cannot meet the filing deadline, ask for an extension of time by filing Form IT-370, *Application for Automatic Extension of Time to File for Individuals*. The time to file will be automatically extended for four months if you file Form IT-370 on time and, if required, pay the tax you owe with it. If you do not expect to owe any tax and you are filing federal Form 4868 to extend the time to file your federal return, you can also use a copy of your Form 4868 to extend the time to file

your New York return instead of filing Form IT-370. Write **NY State Copy** in the top margin. If you are required to pay your tax when you request your extension, mail Form IT-370 with your payment to NYS Income Tax, Processing Center, P.O. Box 1195, Albany, NY 12201-1195.

If you are not required to pay any tax when you request your extension, mail Form IT-370 (or the copy of your federal Form 4868) to NYS Income Tax, W. A. Harriman Campus, Albany, NY 12227-0125.

If you are a U.S. citizen abroad and you qualify for an automatic two-month extension of time to file your federal return, you are automatically granted a two-month extension to file your New York return. For more information, see Publication 88, *General Tax Information for New York State Nonresidents and Part-Year Residents*.

Where to File

Use the preaddressed envelope that came with your tax packet. If you do not have one, address your envelope as follows:

For refund returns —
 NYS Income Tax
 W. A. Harriman Campus
 Refund '90
 Albany, NY 12227-0125

For all other returns —
 NYS Income Tax
 W. A. Harriman Campus
 Albany, NY 12227-0125

Federal/State Tax Agreement

Under authority of federal and New York State laws, the New York State Department of Taxation and Finance and the Internal Revenue Service have entered into a federal/state agreement for the mutual exchange of tax information.

Need Help?

Information

We will answer your tax questions if you call us, but we cannot fill in your return for you.

For **Information** or answers to your New York State tax questions, call toll free (from New York State only) **1 800 CALL TAX (1 800 225-5829)**. From areas outside New York State, call (518) 438-8581. Telephone assistance is available from 8 a.m. to 5 p.m., Monday through Friday. To make sure that Tax Department employees give courteous responses and correct information to taxpayers, a Tax Department supervisor sometimes monitors telephone calls. No record is kept of any taxpayer's name, address or social security number.

If you have a question about the status of your refund check, see *When to Call About Your Refund* below.

If you want to write instead of calling, address your letter to **NYS Tax Department, Taxpayer Assistance Bureau, W. A. Harriman Campus, Albany, NY 12227**.

When to Call About Your Refund

Generally, early filers get their refund checks first. However, if you file after April 1, you may not receive your refund check for at least 12 weeks. If you have to call to ask where your refund check is, please wait until after April 16; then call toll free (from

New York State only) 1 800 443-3200. From areas outside New York State, call (518) 438-6777.

Trying to Resolve a Problem with the Tax Department?

New York State has a Problem Resolution Program for taxpayers who have been unable to resolve a problem with the Tax Department. If you have a tax problem that you cannot clear up through normal channels, you may seek help from one of our Problem Resolution Officers (PROs).

You may call or write to the PRO serving your area. You can get the address and telephone number by calling us (see *Information* on this page).

Hotline for the Hearing and Speech Impaired

If you have a hearing or speech impairment and have access to a Telecommunications Device for the Deaf (TDD), you can get answers to your New York State tax questions by calling our toll free hotline **1 800 634-2110** (within New York State). Hours of operation are from 9 a.m. to 4:45 p.m. Monday through Friday. If you do not own a TDD, check with independent living centers or community action programs to find out where machines are available for public use.

Steps for Preparing Your Return

Prepare your federal return first; much of the information on your New York State nonresident return will be the same. In many cases when New York State and federal tax laws are similar, the New York instructions do not repeat all the requirements, but instead, explain the differences.

If you elected to file federal Form 8814 with your federal return, the amount of your child's investment income over \$1,000 that was included in your federal gross income must be reported in the *Federal Amount* column of your Form IT-203 and taxed at your rate. In this case, you will not file a New York return for your child. However, it will be to your advantage for you to file a New York return for your child since there will not be any New York tax on the first \$2,800 of your child's investment income. To qualify for filing a New York return for your child, you must first file a federal return and federal Form 8615 (instead of federal Form 8814) to report your child's investment income.

Step 1

Get all forms and publications you need.

If you need any forms or publications, see *How to Get Forms* on page 6.

Step 2

Get your tax records together.

If you received a salary or wages, get all your 1990 wage and tax statements together. These can be either New York Form IT-2102 or federal Form W-2. Only your employer can issue or correct these forms. If you have not received your wage and tax statements by February 15, or if the form you received is incorrect, contact your employer.

If you had tax withheld from annuities, pensions, retired pay or IRA payments, get together all of your New York Form(s) IT-2102-P or federal Form(s) W-2P. If you had tax withheld from lottery distributions or horse racing proceeds, you will need your New York State Form IT-2102-G.

If you are a part-year resident and you paid income taxes to another state, a local government within another state, the District of Columbia or a province of Canada during your period of New York State residence, get a copy of the income tax return you filed with that taxing authority.

If you made payments during the year for your New York State, New York City, or Yonkers estimated tax, check your payments or credits that were applied to your 1990 tax year.

If you plan to take any credits or deductions, get all the supporting information and records you will need.

Step 3

Fill in your return

Fill in your return using the line-by-line instructions for Form IT-203 that begin on page 9. Then continue with Step 4 on page 20.

Return a Gift to Wildlife

Look
For This Line
On Your NYS Tax Form

If you want to
Return a Gift to Wildlife

enter amount \$5, 10, 20, other 00



**Return
a Gift to
Wildlife**

New York State Department of Environmental Conservation
Mario M. Cuomo, Governor Thomas C. Jorling, Commissioner

Through the simple gesture of making a contribution on your New York State Tax Form, thousands of you have Returned a Gift to Wildlife.

You have helped fund more than 180 projects that enhance fish and wildlife populations, maintain their habitat and educate citizens about wildlife. Some species that are benefiting from your contributions are the moose, Karner Blue Butterfly, Kemp's ridley sea turtle and the bald eagle.

Please continue your support.

For more information write to:
Return A Gift to Wildlife
New York State Department of
Environmental Conservation
50 Wolf Road, Room 532,
Albany, NY 12233-4830

Line-by-Line Instructions for Form IT-203

All information on your return, except for your mailing address, should be for the calendar year January 1 through December 31, 1990, or for your fiscal year. If you are filing for a fiscal year, enter the month and day your tax year began, and the month, day and year that it ended at the top of the front page.

Make your entries in the **white** areas of Form IT-203.

Name and Address Box

Do not write in this box or attach your mailing label until you have completed and checked your return.

Step 5 on page 20 of these instructions will tell you how to complete this section of your return.

Item A

Filing status

Show your filing status by checking only **one** box. In nearly all cases, you must use the same filing status on your state return that you used on your federal return. If you did not have to file a federal return, use the same filing status that you would have used for federal income tax purposes.

The only exception to this rule applies to married taxpayers who file a joint federal return where one spouse is a New York State resident, and the other spouse is a nonresident or part-year resident. In this case you must either:

- 1) file separate New York returns using filing status ③; or
- 2) file jointly, as if you both were New York State residents using filing status ②. Use Form IT-200 if your joint federal return was Form 1040A; use Form IT-201 if your joint federal return was Form 1040.

Item B

Did you itemize your deductions on your 1990 federal return?

If you itemized your deductions on your 1990 federal income tax return, check the **Yes** box. If you claimed the standard deduction on your federal return, check the **No** box.

Item C

Can you be claimed as a dependent?

If you can be claimed as a dependent on another taxpayer's 1990 federal return, check the **Yes** box. If not, check the **No** box.

Item D

Part-year residents

If you were a New York State resident for part of the year, check the box which describes your situation on the last day of the tax year.

- If you moved into New York State, check box 1 and enter the date you moved into New York. The Tax Department will mail you a resident tax packet next year.
- If you moved out of New York State and you continue to receive income from New York State sources, check box 2. The Tax Department will mail you a nonresident and part-year resident tax packet (IT-203-P) next year.
- If you moved out of New York State and no longer receive income from New York State sources, check box 3 and enter the date you moved out of New York. The Tax Department will not mail you a tax packet next year.

Item E

Nonresidents - Did you maintain living quarters in New York State?

If you or your spouse had living quarters available for your use in New York State during any part of 1990, check the **Yes** box and complete Schedule B on Form IT-203-ATT. These living quarters would include a house, apartment, co-op or any other living quarters maintained or paid for by you or your spouse, or any New York State living quarters maintained for your primary use by another person, family member or employer.

Item F

Federal exemptions

If you filed either federal Form 1040A or 1040, enter in the box the number of exemptions claimed on line 6e of your federal return.

If you filed federal Form 1040EZ, enter "0."

Federal Income and Adjustments

Lines 1 through 19 are a summary of the items that make up your federal adjusted gross income.

Federal Amount column - Enter in the *Federal Amount* column the total amount reported on your federal return for each of the items listed. If you were a part-year resident also include in the *Federal Amount* column all items you would be required to include if you were filing a federal return on the accrual basis. For more information see *Special Accruals* on page 3.

New York State Amount column - Enter in the *New York State Amount* column the following:

- **Nonresidents** - report all the income included in the *Federal Amount* column that you received from New York State sources.
- **Part-year residents** - report the income included in the *Federal Amount* column that you received from all sources earned while you were a New York State resident and your New York State source income for the part of the year you were a nonresident of New York State. Complete the income allocation worksheet provided on page 12 to determine your New York source income. The worksheet instructions are provided on page 13. Transfer each line amount from Column A of the worksheet to the corresponding line of Form IT-203 in the *Federal Amount* column. Add the amounts in Columns B and D for each line of the worksheet and transfer the total to the corresponding line of Form IT-203 in the *New York State Amount* column.

For more information, see *New York Source Income* on page 3.

Married Filers

If you filed a joint federal return, you must check filing status ② on your New York State return unless one spouse was a resident and the other spouse was a nonresident or part-year resident. If you filed a joint federal return and one spouse was a nonresident and the

other spouse was a part-year resident, you must file a joint New York State return.

If you are using filing status ② (joint return), and only one spouse had income from New York State sources, enter in the *Federal Amount* column the combined amount of each item of income that you and your spouse reported on your joint federal return. If you were a part-year resident, enter in the *Federal Amount* column your income as described above for nonresidents and also include all items you would be required to report if you were filing a joint federal return on the accrual basis. Complete the *New York State Amount* column reporting amounts only for the spouse who had income from New York State sources.

If you filed a joint federal return and on your New York State return you are using filing status ③ (separate returns) because one spouse was a resident and the other spouse was a nonresident or part-year resident, enter the amount of each item of income in the *Federal Amount* column, as if you had filed separate federal returns. Then, complete the *New York State Amount* column reporting amounts from New York State sources.

Line 1

Wages, salaries, tips, etc.

Federal Amount column - Enter the total of all wages, salaries, fees, commissions, bonuses, tips, fringe benefits, etc., reported on your 1990 federal return. Include all of these items even if they were not reported by your employer on a wage and tax statement or other income statement.

New York State Amount column - Enter that part of the *Federal Amount* column that represents services performed in New York State as a nonresident.

If you were a part-year resident, you must also add the part of the federal amount that was earned while you were a resident.

Nonresident income earned partially in New York State — If any amount included in the *Federal Amount* column, line 1, is income earned partly in New York State and does not depend directly on the volume of business transacted, figure the amount earned in New York State by completing Schedule A, *Allocation of Wage and Salary Income to New York State*, on the back of Form IT-203-ATT.

Figure the amount allocable to New York State by determining the ratio of days (excluding nonwork days such as Saturdays, Sundays, holidays, sick leave, vacation, etc.) you worked in New York State to the total number of days you worked both in and out of the state during the year. Multiply this ratio by your total wage or salary income subject to allocation.

Work days are days on which you were required to perform the usual duties of your job. This does not ordinarily include duties performed at your home.

If your income subject to allocation depends entirely on the volume of business transacted, as in the case of a salesperson working on commission, do not use Schedule A. Divide your volume of business transacted in the state by your total volume of business transacted both in and out of New York State. Multiply your total income subject to allocation by this percentage. This is the amount of your income allocated to New York State. The location where the services or sales activities were actually performed determines where business is transacted. Attach a schedule to

your return showing how you figured this allocation.

If you allocate your personal service income differently than explained above, attach a separate schedule showing complete details.

Form IT-203-ATT, Schedule A — Allocation of Wage and Salary Income to New York State.

Enter on line a of Schedule A any amount reported on line 1 of Form IT-203 in the *Federal Amount* column that was earned partly in New York State. Complete lines b through f and use the allocation formula on line g to find the amount of wage or salary income you earned in New York State. Enter this amount on line 1 of Form IT-203 in the *New York State Amount* column.

If you have to allocate income received from more than one employer, attach to your return a separate schedule (similar to Schedule A) showing the income and work days that apply to each job.

If the period of employment is less than a full year, base the figures you enter in Schedule A on the actual period of employment. For example, if you were employed in and out of New York State for separate periods of 170 days by one employer and 195 days by another employer, enter 170 days and 195 days on line b of your separate allocation schedules.

If you are married and both you and your spouse work in New York State and are subject to allocation, each of you must complete a separate Schedule A. Enter the combined amount on line 1 in the *New York State Amount* column.

Failure to complete Schedule A and attach it to your Form IT-203 will result in a delay in the processing of your return.

Line 2

Taxable interest income

Federal Amount column - Enter the taxable interest income reported on your federal return.

New York State Amount column - Enter that part of the *Federal Amount* column that represents interest income earned as a nonresident that is part of the receipts of a business, trade, profession or occupation carried on in New York State and not otherwise exempt from New York State income tax. If you conduct business both in and out of New York State, see the instructions for line 6.

If you were a part-year resident, you must also add the part of the federal amount that was earned while you were a resident.

Line 3

Dividend income

Federal Amount column - Enter the dividend income reported on your federal return.

New York State Amount column - Enter that part of the *Federal Amount* column that represents dividend income earned as a nonresident that is part of the receipts of a business, trade, profession or occupation carried on in New York State and not otherwise exempt from New York State income tax. If business is carried on both in and out of New York State, see the instructions for line 6.

If you were a part-year resident, you must also add the part of the federal amount that was earned while you were a resident.

Line 4

Taxable refunds of state and local income taxes

Federal Amount column - Enter the total taxable state and local income tax refunds included as income on your federal return. Also enter this amount on line 24.

New York State Amount column - If you were a part-year resident, enter that part of the *Federal Amount* column that you received while you were a New York State resident.

Do not enter any amount received for the period you were a nonresident.

Line 5

Alimony received

Federal Amount column - Enter the total alimony received as reported on your federal return.

New York State Amount column - If you were a part-year resident, enter only that part of the *Federal Amount* column which represents the total alimony received while you were a New York resident.

Do not enter any alimony received for the period you were a nonresident.

Line 6

Business income or (loss)

Federal Amount column - Enter your business income or (loss) reported on your federal return and attach a copy of federal Schedule C.

New York State Amount column - Enter that part of the *Federal Amount* column that represents business income or (loss) you received as a nonresident from a business, trade or profession carried on in New York State.

If you were a part-year resident, you must also add the part of the federal amount that represents business income or (loss) you received while you were a resident.

Business carried on — Your business, trade, profession or occupation (not including personal service as an employee) is considered to be carried on in New York State if you have, maintain, operate or occupy desk space, an office, a shop, a store, a warehouse, a factory, an agency or other place where your affairs are regularly carried on in New York State. This definition is not exclusive. Your business is considered to be carried on in New York State if it is transacted here with a fair measure of permanency and continuity.

Business carried on both in and out of New York State — If your business, trade or profession is carried on both in and out of New York State and you maintain accounts clearly reflecting income from the New York operations, enter the net profit or (loss) from business carried on in New York State on line 6 in the *New York State Amount* column.

If the New York State income of the business cannot be determined from your books, income from business carried on both in and out of New York State must be allocated according to a prescribed formula or an approved alternative method. Form IT-203-A, *Nonresident Business Allocation Schedule*, containing the statutory formula and other instructions pertaining to the allocation of business income, must be completed for this purpose and attached to Form IT-203. If you submit an alternative method of allocation, you must also complete Form IT-203-A and submit all information about your own method of allocation.

If you are self-employed and carry on a trade, business or profession in New York City, you may also be required to file Form NYC-202, *City of New York Unincorporated Business Tax Return*. For more information, see *Instructions for Form NYC-202*. You can get this form and its instructions by calling the NYC Department of Finance. See *How to Get Forms* on page 6. Since New York State does not administer the New York City unincorporated business tax, do not file your NYC-202 with your state return.

Line 7

Capital gain or (loss)

Federal Amount column - Enter your capital gain or (loss) from the sale or exchange of property, including securities, as reported on your federal return. Attach a copy of federal Schedule D and any related schedules.

New York State Amount column - As a nonresident, figure the amount to be included on line 7, *New York State Amount* column, as capital gain or (loss) from New York State sources in accordance with federal provisions for determining capital gains and losses. This includes a deduction for any capital loss carryover from New York State sources. Use a copy of federal Schedule D (Form 1040) as a worksheet in determining your New York capital gain or (loss). Include in your computations only transactions that were from New York State sources. If these computations result in a net capital loss for New York State purposes, the loss is limited to \$3,000 (\$1,500 if you are married and filing separately) on the New York State return. Any balance of a 1990 net capital loss (in excess of the amount claimed on the 1990 return) will be treated as a carryover loss to be claimed on returns for later years.

If you were a part-year resident, you must also add any capital gains or (losses) occurring while you were a resident.

Capital transactions from New York sources — Include capital gains or (losses) derived from real or tangible personal property located within New York State, whether or not connected with a trade or business, and capital gains or (losses) from stocks, bonds and other intangible personal property used in or connected with a business, trade, profession or occupation carried on in New York State. Also include your share of any capital gain or (loss) derived from New York sources of a partnership of which you are a member (from Form IT-204), an estate or trust of which you are a beneficiary (from Form IT-205 or IT-205-A) or an electing New York State S corporation of which you are a shareholder (from Form CT-3-S, *New York S Corporation Franchise Tax Return*). If any capital gains or (losses) are from business property (other than real property) of a business carried on both in and out of New York State, apply the business allocation percentage (Form IT-203-A) or approved alternative method in determining the New York capital gain or (loss). Gains and losses from the sale or disposition of real property are not subject to allocation. In all cases, use the federal basis of property in computing capital gains or (losses).

Line 8

Capital gain distributions not reported on line 7

Federal Amount column - Enter the amount reported on your federal return.

New York State Amount column - Enter that part of the *Federal Amount* column that

represents amounts derived from or connected with New York State sources and subject to New York State tax as a nonresident.

If you were a part-year resident, you must also add the part of the federal amount that was received while you were a resident.

Line 9

Other gains or (losses)

Federal Amount column - Enter the other gains or (losses) from the sale or exchange of assets used in a trade or business, as reported on your federal return. Attach a copy of federal Form 4797.

New York State Amount column - As a nonresident, figure the amount(s) to be included on line 9, in the *New York State Amount* column, as the gain or (loss) from the sale or exchange of noncapital assets by applying the federal provisions for determining gains or (losses) from the sale or exchange of other than capital assets to your New York State transactions.

If you were a part-year resident, you must also add the part of the federal amount that was from other gains or (losses) from the sale or exchange of noncapital assets while you were a resident.

Noncapital transactions from New York State sources are those noncapital transactions includable in your federal return pertaining to property used in connection with a business, trade, profession or occupation carried on in New York State. Also included is your share of any noncapital gain or (loss) from a partnership of which you are a member (from Form IT-204) or an estate or trust of which you are a beneficiary (from Form IT-205 or IT-205-A) or an electing New York State S corporation of which you are a shareholder (from Form CT-3-S). Use Form IT-203-A if an allocation is required.

Line 10

Taxable amount of IRA distributions

Federal Amount column - Enter the amount reported on your federal return.

New York State Amount column - Enter that part of the *Federal Amount* column that was derived from or connected with New York State sources and subject to New York State tax as a nonresident.

If you were a part-year resident, you must also add the part of the federal amount that was received while you were a resident.

Line 11

Taxable amount of pensions and annuities

Federal Amount column - Enter the taxable amount of pensions and annuities reported on your federal return.

New York State Amount column - Enter that part of the *Federal Amount* column that represents:

- a pension or other retirement benefit that **does not** meet the definition of an annuity and was received because of services performed in New York State even though you became a nonresident before payments were received; or
- the taxable amount of pensions and annuities received while a New York State resident if you were a part-year resident.

Do not enter that part of the *Federal Amount* column that represents:

- an annuity or other pension or other retirement benefit you received as a

nonresident, that meets the definition of an annuity, unless the annuity is employed or used as an asset of a business, trade, profession or occupation carried on in New York State; or

- any pension or other benefit paid by a New York State or municipal retirement system or the United States, its territories or possessions, political subdivisions of these territories or possessions, the District of Columbia or any agency or instrumentality of any of the above (including the military).

Line 12

Rents, royalties, partnerships, estates, trusts, etc.

Federal Amount column - Enter the amount reported on your federal return and attach a copy of federal Schedule E.

New York State Amount column - Enter that part of the *Federal Amount* column that was derived from or connected with New York State sources as a nonresident. See the instructions below relating to each type of income received from these sources.

If you were a part-year resident, you must also add the part of the *Federal Amount* column that was received from these sources while you were a resident.

Rent and royalty income — As a nonresident, report in the *New York State Amount* column rents and royalties from: (1) real property located in New York State, whether or not used in connection with a business; (2) tangible personal property not used in a business if such property is located in New York State; and (3) tangible and intangible personal property used in or connected with a business, trade, profession or occupation carried on in New York State.

If a business is carried on both in and out of New York State, apply the business allocation percentage (Form IT-203-A) or alternate method to items included in (3) in the preceding paragraph to determine the income from New York State sources. However, do not allocate income from real property. That income must be entirely included if the real property is located in New York State and entirely excluded if the real property is located outside New York State.

Also report in the *New York State Amount* column your share of any rental or royalty income from a partnership of which you are a member (from Form IT-204) or an estate or trust of which you are a beneficiary (from Form IT-205 or IT-205-A).

Partnerships — As a nonresident, enter in the *New York State Amount* column your distributive share of partnership income obtained from Form IT-204. If your distributive share includes any other items of partnership income taxable to a nonresident, those items must be included elsewhere in the *New York State Amount* column on the appropriate lines. For example, your share of a partnership's New York capital gain would be included in determining the amount to be reported on line 7.

S corporation shareholders — As a nonresident, enter in the *New York State Amount* column your pro rata share of an electing New York S corporation's items of income and loss from Form CT-3-S, *New York S Corporation Franchise Tax Return*. If your share includes any other items of income, such as dividends or capital gains, those items must be included elsewhere in the *New York State Amount* column on the appropriate lines. If the corporation carried on business both in and out of New York State, the corporation's business allocation percentage and investment allocation

percentage, determined under Article 9-A, must be used to figure the amount of your income or loss that was derived from or connected with New York State sources.

Beginning with the 1990 tax year, if you were a **part-year resident**, you must determine your distributive share of partnership income and your pro rata share of S corporation income to be reported on the *Part-Year Resident Income Allocation Worksheet*, according to your **resident status when the taxable year of the partnership or New York S corporation ends**.

Estates and trusts — Report in the *New York State Amount* column your share of estate or trust income as a nonresident or part-year resident from New York State sources obtained from information provided by the fiduciary from Form IT-205 and Form IT-205-A. If your share includes any items of taxable estate or trust income from New York State sources not reported on line 12, those items should be included elsewhere in the *New York State Amount* column on the appropriate line describing that income.

Passive activity loss limitations — Any deduction for passive activity losses for a nonresident must be recomputed to determine the amounts which would be allowed if the federal adjusted gross income took into account only items of income, gain, loss or deduction derived from or connected with New York sources.

If you were a **part-year resident**, you must recalculate your passive activity loss limitations as if separate federal returns were filed for your resident and nonresident periods.

Line 13

Farm income or (loss)

Federal Amount column - Enter the amount reported on your federal return and attach a copy of your federal Schedule F.

New York State Amount column - Enter that part of the *Federal Amount* column that represents income or (loss) from farming carried on in New York State as a nonresident.

Reporting farm income is similar to reporting business income. See the instructions for reporting business income (line 6) on page 10, including the instructions for reporting when business is carried on both in and out of New York State.

If you were a part-year resident, you must also add the part of the federal amount that represents farm income or (loss) for the period you were a resident.

Line 14

Unemployment compensation (insurance)

Federal Amount column - Enter the amount reported on your federal return.

New York State Amount column - Enter that part of the *Federal Amount* column that represents taxable unemployment compensation received as a nonresident and derived or resulting from employment in New York State.

If the unemployment compensation received from New York State sources is based on wage or salary income earned partly in and partly out of New York State, figure the amount allocable to New York State in the same manner as the wage and salary income on which it is based.

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If you were a part-year resident, you must also add the part of the federal amount that was received while you were a resident.

Line 15

Taxable amount of social security benefits

Federal Amount column - Enter the amount of taxable social security (and tier 1 railroad retirement benefits) reported on your federal return. Also enter this amount on line 25.

New York State Amount column - If you were a part-year resident, enter that part of the *Federal Amount* column that represents any taxable amount of social security (and tier 1 railroad retirement benefits) you received while you were a New York State resident.

Do not enter any amount received for the period you were a nonresident.

Line 16

Other income

Federal Amount column - Enter the total other income reported on your federal return. Write each type of income and its amount in the white area on line 16. If you need more room, make a list showing each type of income and its amount, and attach the list to your New York return.

New York State Amount column - Enter the part of the federal amount derived from or connected with New York State sources as a nonresident.

If you have a net operating loss derived from New York sources (without a corresponding federal net operating loss) that you are carrying forward to 1990, enter the amount of the loss in the *New York State Amount* column on line 16 in parentheses. Attach a statement explaining the loss.

If you were a part-year resident, you must also add the part of the federal amount that was received while you were a resident.

Line 17

Add lines 1 through 16 of each column, and enter the totals on line 17.

Line 18

Total federal adjustments to income

Federal Amount column - Enter the total adjustments to income reported on your federal Form 1040, line 30. These include penalty on early withdrawal of savings, IRA deduction and spouse's IRA deduction, deduction for self-employment tax, and other adjustments. (If you filed federal Form 1040A, use the amount reported on line 15c). Write each adjustment and its amount in the white area on line 18. If you need more room, make a list showing each adjustment and its amount and attach the list to your New York return.

If you did not have to file a federal return, claim the same adjustments to income that you would have claimed for federal income tax purposes.

New York State Amount column - Enter the part of the federal amount which represents adjustments connected with income from New York State sources while you were a nonresident.

If you were a part-year resident, you must also add the part of the federal adjustment deductible while you were a New York State resident.

The federal adjustment for alimony paid is not a deduction from New York sources for nonresidents (see Tax Law, section 631(b)(6)). If you were a part-year resident, include in the *New York State Amount* column only the portion of your alimony adjustment

attributable to the part of the year you were a New York State resident.

Any adjustment item that relates to wage or salary income earned partly in New York State or to income from a business which is carried on both in and out of New York State must be allocated to New York State on the same basis as the income to which it relates.

Example — You are allowed an adjustment of \$800 on your federal return for payments by a self-employed person to a retirement plan, and these payments were made in connection with a business you operated both in and out of New York State.

If, in determining your business income from New York State sources, you figure your business allocation percentage to be 75% (see instructions for line 6), then 75% of this adjustment, or \$600, should be included in the *New York State Amount* column on line 18.

Line 19

Federal adjusted gross income

Subtract line 18 from line 17 in each column and enter the result on line 19. Generally, the amount in the *Federal Amount* column will be the same as the adjusted gross income reported on your federal return. If you are a **part-year resident**, this amount will include special accruals. (For further information, see *Special Accruals*, on page 3 of these instructions.)

Also enter the amounts from line 19 in the *Federal Amount* column and in the *New York State Amount* column in the area next to the income percentage on line 56. If either the amount on line 19 in the *Federal Amount* column or the *New York State Amount* column is zero or less, skip lines 20 through 56; enter "0" on line 57 and continue on line 58.

Part-Year Resident Income Allocation Worksheet (see instructions on the next page)

Adjusted Gross Income	Federal Income (all sources)		New York State Resident Period		New York State Nonresident Period	
	Column A	Column B	Column C	Column D	Column C	Column D
Married persons filing separate New York State returns should complete separate worksheets.	Income from federal return	Income from Column A for this period	Income from Column A for this period	Income from Column A for this period	Income from New York State sources	Income from New York State sources
1 Wages, salaries, tips, etc.	1					
2 Taxable interest income	2					
3 Dividend income	3					
4 Taxable refunds of state and local income taxes	4					
5 Alimony received	5					
6 Business income or (loss) (from federal Schedule C)	6					
7 Capital gain or (loss) (from federal Schedule D)	7					
8 Capital gain distributions not reported on line 7	8					
9 Other gains or (losses) (from federal Form 4797)	9					
10 Taxable amount of IRA distributions	10					
11 Taxable amount of pensions and annuities	11					
12 Rents, royalties, partnerships, estates, trusts, etc. (from federal Schedule E)	12					
13 Farm income or (loss) (from federal Schedule F)	13					
14 Unemployment compensation (insurance)	14					
15 Taxable amount of social security benefits	15					
16 Other income	16					
17 Add lines 1 through 16	17					
18 Total federal adjustments to income <i>Identify</i>	18					
19 Subtract line 18 from line 17 (see instructions above). This is your federal adjusted gross income	19					

The combined total of Columns B and C should equal Column A. Add the amounts in Column B and D for each line of the worksheet above and transfer the total to the corresponding line of Form IT-203 in the *New York State Amount* column.

Worksheet Instructions

If you moved into or out of New York State during 1990, the *Part-Year Resident Income Allocation Worksheet* will help you figure your New York State source income for the entire taxable year. You may round all money amounts on your return to the nearest dollar. For example, round \$10.49 to \$10; round \$10.50 to \$11. If you round to the nearest dollar, round for all amounts.

Column A — Enter the amounts of income and adjustments reported on your federal return plus all items you would be required to include if you were filing a federal return on the accrual basis.

Column B — Enter that part of the amount from Column A that you received during the period you were a New York State resident.

Column C — Enter that part of the amount from Column A that you received during the period you were a New York State nonresident.

Column D — Enter that part of the amount from Column C that you received from:

- services you performed in New York State;
- property located in New York State; and
- businesses, trades, professions or occupations conducted in New York State.

Refer to each specific line instruction to determine the income from New York State sources earned during your nonresident period.

Example 1 — You moved from Indiana to New York on September 15, 1990. On your federal return, you report \$35,000 in total wages. Of this amount, \$12,000 was earned while you were a New York State resident. On line 1, you would enter \$35,000 in Column A, \$12,000 in Column B, \$23,000 in Column C and \$0 in Column D (no income was earned in New York State prior to the move).

Report in Column B if you moved out of New York State, or Column C if you moved into New York State, all items you would be required to report if you were filing a federal return on the accrual basis for the period before you changed your resident status. These accrual amounts are to be combined with their corresponding income on lines 1 through 19. See *Special Accruals* on page 3.

Example 2 — You moved from New York State to Georgia on June 10, 1990. On June 1, 1990, your employer awarded you a guaranteed bonus of \$2,000 which was paid to you on July 1, 1990. You must enter the \$2,000 bonus in Column B, line 1, since this is income accruable to your resident period.

Example 3 — You moved from New Jersey to New York on May 10, 1990. You own stock in the XYZ Corporation which, on May 1, 1990, declared a \$1,000 dividend payable on June 1, 1990. You also received \$500 a month from rental property which was sold on April 30, 1990, and located in New York. You must report the \$1,000 dividend income in Column C on line 3, since this is considered to be income accruable to the nonresident period. The rental income is reported in Column C and in Column D on line 12, since this income is derived from New York State sources during your nonresident period.

Transfer the amount in Column A of the worksheet to the corresponding line on Form IT-203 in the **Federal Amount** column.

Add the amounts in Columns B and D for each line of the worksheet. Transfer the total to the corresponding line on Form IT-203 in the **New York State Amount** column.

If your salary or wages were earned partially in New York State, you have to determine how much should be allocated to New York State and enter that amount in Column D. Complete Schedule A on the back of Form IT-203-ATT. When reading the instructions for completing Schedule A, substitute *nonresident period for year or full-year*.

New York Adjustments/ New York Adjusted Gross Income

Certain items of income not taxed by the federal government are taxed by New York State. These *New York additions* must be included in your federal adjusted gross income. Enter any of the listed additions on lines 20 through 22. There are also certain items of income taxed by the federal government but not taxed by New York State. These *New York subtractions* must be deducted from your federal adjusted gross income. Enter any of the listed subtractions on lines 24 through 28. See the instructions for these lines to identify any additions and subtractions that apply to you. For more information on additions and subtractions, see Publication 382, *How to Figure Your New York Additions and Subtractions*.

Partners — If you have income from a partnership, include any New York additions and subtractions that apply to that income. Determine your share of partnership additions and subtractions from the partnership return. Form IT-204.

Beneficiaries (estates and trusts) — If you have income from an estate or trust, any New York additions and subtractions that apply to that income, as well as any additions to or subtractions from federal itemized deductions, will be shown in your share of a single fiduciary adjustment. Do not include addition modifications relating to sections 612(b)(1), 612(b)(2) and 612(b)(20) of a resident fiduciary in a nonresident beneficiary's share of the fiduciary adjustment unless the addition is attributable to a business, trade, profession or occupation carried on in New York State. Attach a schedule showing how the fiduciary adjustment was figured. If the adjustment is a net addition, enter this amount on line 22; if the adjustment is a net subtraction, enter this amount on line 28. Identify this item as a **fiduciary adjustment**.

If you filed federal Form 4970, *Tax on Accumulation Distribution of Trusts*, the income you reported on line 1 of Form 4970 is not included on Form IT-203, line 12. Since the Internal Revenue Code considers the distribution part of federal gross income, you must include it on Form IT-203, line 22, and be sure to identify the source of this income as **Form 4970 income**.

S Corporation Shareholders — If you are a shareholder of a federal S corporation for which the election to be a New York S corporation was in effect for the taxable year, include any of the following additions and subtractions that apply to your pro rata share of S corporation items of income, loss or deduction. Additions A-18 and A-19 and subtraction S-22 do **not** apply to you since they apply only to nonelecting S corporations. If the election to treat the corporation as a New York S corporation terminated during the taxable year, you must allocate those items (see Publication 382 for more information). Obtain your share of S corporation items of income, loss and deduction from the S corporation's Form CT-3-S.

If you were not eligible to make the election to treat your corporation as a New York S corporation because the corporation was not subject to Article 9-A franchise tax, include any of the additions and subtractions below that apply to your pro rata share of S corporation items of income, loss or deduction. Additions A-17, A-18, A-19 and A-20, and subtractions S-21 and S-22 do **not** apply to you since they apply only to electing and nonelecting New York S corporations.

If gain or loss is recognized on your federal income tax return due to the disposition of stock or indebtedness of an S corporation that did not elect to be a New York S corporation for any taxable year after December 31, 1980, make addition A-20 or subtraction S-21, whichever applies to you.

You must make the adjustments for the taxable year of the S corporation that ends in your taxable year.

New York Additions

Line 20

Interest income on state and local bonds (but not those of New York State or its localities)

Enter any interest income on state and local bonds (but not those of New York State and local governments within the state) that you received or that was credited to you for the period you were a resident of New York State during 1990 if it was **not** included in your federal adjusted gross income (section 612(b)(1) of the Tax Law). Do **not** make this addition for any period you were a **nonresident** unless the addition is attributable to a business, trade, profession or occupation carried on in New York State.

Line 21

Public employee 414(h) retirement contributions

If you are a Tier III or Tier IV member of the New York State or New York City retirement systems (including the New York State and New York City Teachers' Retirement Systems), or an employee of the State or City University of New York who belongs to the TIAA/CREF Optional Retirement System or a New York City uniformed force member, enter the amount of 414(h) retirement contributions shown on Copy 2 of your wage and tax statements, Form IT-2102 or federal Form W-2. New York City uniformed force members include police, firefighters, corrections officers and transit, housing authority and sanitation police. Do **not** enter on line 21 contributions to a section 401(k) deferred arrangement, section 403(b) annuity or section 457 deferred compensation plan (section 612(b)(26) of the Tax Law).

Line 22

Other additions

The adjustment for accelerated cost recovery system (ACRS) deduction is no longer identified on Form IT-203. If you file Form IT-399, *New York State Depreciation*, include your ACRS addition in the amount for line 22. For more information, see addition A-14.

Identify any of the following additions that apply to you by writing the item number and the amount of each addition in the white area on line 22. Enter the total amount of these other additions on line 22.

A-1 Interest or dividend income received by you or credited to you for the period you were a resident of New York State during 1990, on bonds or securities of any United States authority, commission or instrumentality that federal laws exempt from federal income tax but not from state income taxes (section 612(b)(2) of the Tax Law). Do **not** make this addition for any period you were a **nonresident** unless the addition is attributable to a business, trade, profession or occupation carried on in New York State.

A-2 Income taxes that were deducted from your federal gross income (section 612(b)(3) of the Tax Law). For example, if you operated a business and deducted income taxes on your federal return as an expense of doing business, include these taxes on line 22.

Partners — Include on line 22 your distributive share of income taxes deducted in figuring net income.

A-3 Interest expense on loans used to buy bonds and securities whose interest income is exempt from New York State tax if you made a deduction for this interest expense in figuring your federal adjusted gross income. Also include on line 22 amortization of bond premiums whose interest income is exempt from New York State tax and expenses relating to income exempt from New York State tax, if you made a deduction in figuring your federal adjusted gross income (sections 612(b)(4) and (5) of the Tax Law).

A-4 The amount of special additional mortgage recording tax that was excluded or deducted in figuring your federal adjusted gross income to the extent the credit was taken (section 612(b)(15) of the Tax Law). For information about the special additional mortgage recording tax credit, see the *Instructions for Form IT-203-ATT*, line 4, on page 23 of these instructions.

A-5 The amount of special additional mortgage recording tax you paid when the property for which the tax was paid is sold or disposed of at a gain or loss and the basis of such property was not adjusted for the special additional mortgage recording tax credit (section 612(b)(16) of the Tax Law).

A-6 Any amount that has to be added to your federal adjusted gross income if you made an election for tax years beginning before 1987 for special depreciation or research and development expenditures, waste treatment facility expenditures, air pollution control equipment expenditures or acid deposition control equipment (section 612(b)(6) of the Tax Law). See subtraction S-13 on page 15 of these instructions.

A-7 Any deduction for percentage depletion on mines, oil and gas wells, and other natural deposits made in figuring your federal adjusted gross income (section 612(b)(10) of the Tax Law). See subtraction S-12 on page 15 of these instructions.

A-8 Amounts required under the Tax Law relating to your distributive or pro rata share of allocated entire net income, or your distributive or pro rata share of loss included in your federal adjusted gross income, from an insurance business operating as a member of the New York Insurance Exchange (section 617-a of the Tax Law). See subtraction S-14 on page 15 of these instructions.

A-9 Any gain that would have been realized for New York State tax purposes from the sale or other disposition of property acquired from a decedent and valued by the executor under New York State Tax Law because the estate had an insufficient amount of assets to

require the filing of a federal estate tax return (section 612(b)(17) of the Tax Law).

A-10 Solar and wind energy systems — The amount of New York State solar and wind energy credit you claimed for residential property later sold or disposed of at a gain if the basis of that property included the cost of your energy system (sections 606(g) and 612(b)(29) of the Tax Law).

A-11 New business investment-deferral recognition — The amount of capital gain deferred on the sale of a capital asset if the new business investment property is sold (section 612(b)(22) of the Tax Law).

A-12 Safe harbor leases — The amount that was deducted in figuring your federal adjusted gross income (except for mass transit vehicles) solely because of an election made under section 168(f)(8) of the Internal Revenue Code, as it was in effect for agreements entered into prior to January 1, 1984 (section 612(b)(23) of the Tax Law).

A-13 Safe harbor leases — Any amount that would have been included in federal adjusted gross income (except for mass transit vehicles) had the election under section 168(f)(8) of the Internal Revenue Code, as it was in effect for agreements entered into prior to January 1, 1984, not been made (section 612(b)(24) of the Tax Law).

A-14 Accelerated cost recovery system (ACRS) deduction — The amount that was deducted in figuring your federal adjusted gross income for property placed in service during taxable years 1981, 1982, 1983 and 1984 and for property placed in service outside New York State in taxable years beginning after December 31, 1984 (including property on which ACRS depreciation was figured in accordance with the Federal Tax Reform Act of 1986), except for property subject to the provisions of section 280F of the Internal Revenue Code (section 612(b)(25) of the Tax Law).

A-15 Accelerated cost recovery property — year of disposition adjustment — In the year that you dispose of property, the amount by which the total depreciation allowed for New York State purposes is greater than your total federal accelerated cost recovery deductions on that property (including ACRS depreciation figured in accordance with the Federal Tax Reform Act of 1986) (section 612(b)(27) of the Tax Law). Use Form IT-399, *New York State Depreciation* to figure your adjustment. See subtraction S-20 on page 16 of these instructions.

A-16 Tax on petroleum businesses — The amount of gross receipts tax imposed before June 1, 1990 on petroleum businesses under Article 13-A of the Tax Law that was deducted in figuring your federal adjusted gross income (section 612(b)(28) of the Tax Law).

A-17 S corporation shareholders — If you are a shareholder of an S corporation for which the election to be a New York S corporation is in effect for the taxable year, your pro rata share of the corporation's reductions for taxes described in sections 1366(f)(2) and (3) of the Internal Revenue Code (section 612(b)(18) of the Tax Law).

A-18 S corporation shareholders — If you are a shareholder of an S corporation for which the election to be a New York S corporation was **not** in effect for the taxable year, any S corporation loss or deduction taken into account in figuring your federal adjusted gross income pursuant to section 1366 of the Internal Revenue Code (section 612(b)(19) of the Tax Law).

A-19 S corporation shareholders — S corporation distributions not included in federal adjusted gross income due to the application of section 1368, 1371(e) or 1379(c) of the Internal Revenue Code, and not previously subject to New York personal income tax because the election to be a New York S corporation was **not** in effect for the period you were a resident of New York State (section 612(b)(20) of the Tax Law). Do **not** make this addition for any period you were a **nonresident** unless the addition is attributable to a business, trade, profession or occupation carried on in New York State. The Internal Revenue Code sections mentioned above refer to distributions, cash distributions during post termination transition period and distributions of undistributed taxable income, respectively.

A-20 S corporation shareholders — Where gain or loss is recognized on a shareholder's federal income tax return due to the disposition of stock or indebtedness of an S corporation that did **not** have an election to treat the corporation as a New York S corporation in effect for any taxable year beginning after December 31, 1980, the increase in basis of stock or indebtedness due to the application of sections 1376(a) (as it was in effect for taxable years beginning before January 1, 1983) and 1367(a)(1)(A) and (B) of the Internal Revenue Code for each taxable year that the New York election was **not** in effect (section 612(b)(21) of the Tax Law). The Internal Revenue Code sections mentioned above refer to S corporation undistributed taxable income that was required to be included in the shareholder's federal adjusted gross income.

A-21 Five percent of your deduction for interest related to corporate acquisitions to the extent the interest was deducted in figuring your New York adjusted gross income (section 612(b)(30) of the Tax Law). If this addition applies, complete Form IT-244, *Acquisition Information Report*. Attach a separate schedule to your return showing your computation.

Line 23

Add lines 19 through 22 in the *Federal Amount* column and enter the total on line 23.

New York Subtractions

Line 24

Taxable refunds of state and local income taxes

Enter the amount of any taxable refund or credit for overpayment of income tax from line 4, *Federal Amount* column.

Line 25

Taxable amount of social security benefits

Enter the amount of taxable social security (and tier 1 railroad retirement benefits) from line 15, *Federal Amount* column.

Line 26

Interest income on US government bonds

Enter the amount of interest income from US government bonds or other US government obligations that is included in the amount you reported on line 2 in the *Federal Amount* column. (This may be all or part of the line 2 amount or it may be zero. Check your interest income records to determine the correct amount to enter on line 26.) Interest income on bonds or other obligations of the US

government is **not** taxed by New York State. Include on line 26 qualifying dividends received from regulated investment companies (mutual funds) that invest in obligations of the US government and meet the 50% asset requirement (section 612(c)(1) of the Tax Law).

Do not list the same interest more than once on lines 26 and 28; see the instructions for line 28, subtractions S-1 and S-4, on this page.

Line 27

Pension and annuity income exclusion

If you were age 59½ before January 1, 1990, enter the qualifying pension and annuity income included in your 1990 federal adjusted gross income, **but not more than \$20,000**. If you became 59½ during 1990, enter only the amount received after you became 59½, **but not more than \$20,000**.

Do not enter any pension income that you received from New York State, local governments within the state, and the United States here; see the instructions for line 28, subtraction S-2, on this page.

Qualifying pension and annuity income includes:

- periodic payments for services you performed as an employee before you retired;
- periodic and lump-sum payments from an IRA, but **not** payments derived from contributions made after you retired;
- periodic payments from an HR-10 (Keogh) plan, but **not** payments derived from contributions made after you retired; and
- lump-sum payments from an HR-10 (Keogh) plan, but only if federal Form 4972 is not used. Do not include that part of your payment that was derived from contributions made after you retired.

If you and your spouse both qualify, each of you can subtract up to \$20,000 of your own pension and annuity income. However, you cannot claim any unused part of your spouse's exclusion.

If you received the pension and annuity income of a decedent, you may make this subtraction if the decedent would have qualified to make this subtraction at the time of death.

If you are also claiming the disability income exclusion, the total of your pension and annuity income exclusion and disability income exclusion cannot exceed \$20,000.

For more information, see Publication 99, *New York State Tax Credits, Retirement Benefits and Deductions*.

Line 28

Other subtractions

The adjustment for New York State depreciation is no longer identified on Form IT-203. If you file Form IT-399, New York State Depreciation, include your New York State depreciation subtraction in the amount for line 28. For more information, see subtraction S-19.

Identify any of the following subtractions that apply to you by writing the item number and amount of each subtraction in the white area on line 28. Enter the total amount of your other subtractions on line 28.

S-1 Interest or dividend income on bonds or securities of any United States authority, commission or instrumentality included in your federal adjusted gross income but

exempt from state income taxes under federal laws (section 612(c)(2) of the Tax Law).

S-2 Any pension you received as an officer, employee, or as a beneficiary of an officer or employee of:

- New York State and local governments within the state that was included in your federal adjusted gross income;
- the United States, its territories or possessions, political subdivisions of these territories or possessions, the District of Columbia or any agency or instrumentality of any of the above (including the military) that was included in your federal adjusted gross income (section 612(c)(3) of the Tax Law).

S-3 The amount of supplemental annuity and tier 2 benefits received under the Railroad Retirement Act of 1974 and the amount of Railroad Unemployment Insurance Act benefits that were included in your federal adjusted gross income but exempt from state incomes taxes under Title 45 of the United States Code.

S-4 Any interest or dividend income included in your federal adjusted gross income on bonds or securities that is exempt from New York State income taxes (section 612(c)(6) of the Tax Law).

S-5 Interest expense on money borrowed to purchase or carry bonds or securities whose interest income is subject to New York State income tax but exempt from federal income tax, provided this interest was a 1990 business expense and was not deducted in figuring your federal adjusted gross income (section 612(c)(9) of the Tax Law).

S-6 Ordinary and necessary business expenses paid or incurred during 1990 in connection with income, or property held to produce income, that is subject to New York State income tax but exempt from federal income tax, provided these expenses were not deducted in arriving at your federal adjusted gross income (section 612(c)(10) of the Tax Law).

S-7 Amortization of bond premium attributable to 1990 on any bond whose interest income is subject to New York income tax but exempt from federal income tax, provided this amortization was a 1990 business expense and was not deducted in figuring your federal adjusted gross income (section 612(c)(10) of the Tax Law).

S-8 The amount necessary to prevent taxation of amounts properly included in total New York income in prior taxable years by a shareholder of a professional service corporation (section 612(c)(12) of the Tax Law).

S-9 The amount of wages and salaries paid or incurred during the taxable year for which a salaries deduction is not allowed with regard to claiming the federal targeted jobs credit (section 612(c)(15) of the Tax Law).

S-10 The part of any gain included in your federal adjusted gross income from the sale or other disposition of (1) property which had a higher basis for New York State income tax purposes on December 31, 1959 (or on the last day of a fiscal year ending during 1960), and (2) property held in connection with mines, oil or gas wells, and other natural deposits which has a higher adjusted basis for New York State income tax purposes, which does not exceed this difference in basis. When the gain on the sale or other disposition of jointly owned property is divided between you and your spouse on

your separate state returns, any subtraction due to a higher New York than federal basis must also be divided (sections 612(c)(4) and 612(c)(13) of the Tax Law).

S-11 Any amount of income (including annuity income) or gain included in your federal adjusted gross income that was properly reported as income or gain on a prior New York State return filed under former Article 16 of the Tax Law by you or a decedent, or an estate or trust from whom you acquired this income or gain (section 612(c)(5) of the Tax Law).

S-12 Cost depletion figured according to federal tax law on property where percentage depletion was added on line 22 (section 612(c)(13) of the Tax Law). See addition A-7 on page 14 of these instructions.

S-13 Special depreciation expenditures or carryover of research and development expenditures incurred in taxable years beginning before 1987 in connection with depreciable, tangible business property located in New York State (section 612(c)(11) of the Tax Law). For more information, see Form IT-211, *Special Depreciation Schedule*, and instructions. Also see addition A-6 on page 14 of these instructions.

S-14 Any amount included in your federal adjusted gross income which is your distributive or pro rata share of income or gain from an insurance business operating as a member of the New York Insurance Exchange (section 617-a of the Tax Law). See addition A-8 on page 14 of these instructions.

S-15 Any loss that was to have been realized for New York State tax purposes from the sale or other disposition of property acquired from a decedent and valued by the executor under New York State Tax Law because the estate had an insufficient amount of assets to require the filing of a federal estate tax return (section 612(c)(19) of the Tax Law).

S-16 New business investment exclusion — The amount of gain to be subtracted from the sale of a New York new business investment that was included in your federal adjusted gross income (section 612(c)(20) of the Tax Law).

S-17 Safe harbor leases — Any amount that was included in federal adjusted gross income (except for mass transit vehicles) solely because of an election made under section 168(f)(8) of the Internal Revenue Code, as it was in effect for agreements entered into prior to January 1, 1984 (section 612(c)(24) of the Tax Law).

S-18 Safe harbor leases — Any amount that could have been excluded from federal adjusted gross income (except for mass transit vehicles) had the election under section 168(f)(8) of the Internal Revenue Code, as it was in effect for agreements entered into prior to January 1, 1984, not been made (section 612(c)(25) of the Tax Law).

S-19 New York State depreciation — The amount of depreciation allowed for property placed in service during taxable years 1981, 1982, 1983 and 1984 and for property placed in service outside New York State in taxable years beginning after December 31, 1984 (including property on which ACRS depreciation was figured in accordance with the Federal Tax Reform Act of 1986), except for property subject to the provisions of section 280F of the Internal Revenue Code (section 612(c)(26) of the Tax Law).

S-20 Accelerated cost recovery property — year of disposition adjustment — In the year that you dispose of property, the amount by which your total federal accelerated cost recovery deductions (including ACRS depreciation that was figured in accordance with the Federal Tax Reform Act of 1986) were greater than the total depreciation you took for New York State purposes on that property (section 612(c)(28) of the Tax Law). Use Form IT-399, *New York State Depreciation*, to figure your adjustment. See addition A-15 on page 14 of these instructions.

S-21 S corporation shareholders — Where a gain or loss is recognized on a shareholder's federal income tax return due to the disposition of stock or indebtedness of an S corporation that did not have an election to treat the corporation as a New York S corporation in effect for any taxable year beginning after December 31, 1980, the reduction in basis of stock or indebtedness due to the application of sections 1376(b) (as it was in effect for taxable years beginning before January 1, 1983) and 1367 (a)(2)(B) and (C) of the Internal Revenue Code for each taxable year that the New York election was not in effect.

Also, the amount of any additions to federal adjusted gross income under section 612(b)(20) of the Tax Law (see addition A-19 on page 14 of these instructions) that were made with respect to the stock described above (section 612(c)(21) of the Tax Law).

The Internal Revenue Code sections mentioned above refer to the shareholder's pro rata share of S corporation net operating loss and S corporation loss and deduction that was required to be taken into account in figuring the shareholder's federal adjusted gross income.

S-22 S Corporation Shareholders — If you are a shareholder of an S corporation for which the election to be a New York S corporation was not in effect for the taxable year, any S corporation income included in federal adjusted gross income pursuant to section 1366 of the Internal Revenue Code (section 612(c)(22) of the Tax Law).

S-23 Disability income exclusion — Any amount that could have been excluded from federal adjusted gross income based on section 105(d) of the Internal Revenue Code as it was in effect prior to January 1, 1984. However, the sum of disability income excluded and pension and annuity income excluded may not exceed \$20,000 (section 612(c)(3-b) of the Tax Law). Use Form IT-221, *Disability Income Exclusion*, to figure your disability income exclusion and attach it to your return.

If you claim this exclusion, you must also complete the physician's statement at the bottom of Form IT-221.

Line 29

Add lines 24 through 28 in the *Federal Amount* column and enter the total on line 29.

Line 30

New York adjusted gross income

Subtract line 29 from line 23 and enter the result on line 30.

Tax Computation

If you took the standard deduction on your federal return or you did not have to file a federal return, skip lines 31 through 45 and

transfer the front page, line 30 amount to line 46. Fill in lines 31 through 45 only if you itemized your deductions on federal Form 1040.

Lines 31 through 39

Enter on each line the total of each group of itemized deductions (medical and dental, taxes, moving expenses, etc.) and your total itemized deductions exactly as you reported them on your federal Schedule A (Form 1040), *Itemized Deductions*.

Line 40

State, local and foreign income taxes included on line 32

Enter the total of state and local income taxes from federal Schedule A, line 5 and foreign income taxes from federal Schedule A, line 7.

Exception for city of New York nonresident earnings tax — If you included the New York City nonresident earnings tax on line 32, you do not have to include on line 40 the difference between the New York City nonresident earnings tax on wages figured at the old rate (0.25%) and the tax figured at the current rate (0.45%). To figure the amount you have to include on line 40, multiply your New York City taxable wages (from Form NYC-203, line 3) by .0020 and subtract the result from your state, local and foreign income tax deduction included on line 32.

Example — Your line 32 amount includes your New York City nonresident earnings tax as well as other state, local and foreign income taxes, for a total income tax deduction of \$1,000. Your taxable wages from Form NYC-203, line 3 are \$16,000. Multiply \$16,000 by .0020 which equals \$32, the amount you do not have to include on line 40. Then subtract \$32 from \$1,000 to find the difference of \$968, the amount to enter on line 40.

The above also applies to the New York City nonresident earnings tax on net earnings from self-employment. The amount you do not have to include on line 40 is the difference between the tax figured at the old rate (0.375%) and the tax figured at the current rate (0.65%). To figure the amount you have to include on line 40, multiply your New York City taxable net earnings from self-employment (Form NYC-203, line 7) by .00275 and subtract it from your state, local and foreign income tax deduction included on line 32.

Line 41

Subtract line 40 from line 39 and enter the result.

If you made no entry on line 40, enter the amount from line 39 on line 41.

Line 42

Other adjustments

On a separate sheet marked **Line 42 — Other adjustments**, identify by item letter (from the list of additions and subtractions below) other adjustments that apply to you. Show the amount of each and attach this sheet to your return. Total all your additions and total all your subtractions; then deduct the total subtractions from the total additions. If the result is positive, enter this net addition on line 42. If the result is negative, enter this net subtraction in parentheses () on line 42.

Partners — Include on line 42 the additions and subtractions described below that apply to your share of partnership deduction items

(if not included in your New York additions and subtractions on the front page). Determine your share of partnership items from the partnership return, Form IT-204.

S corporation shareholders — If you are a shareholder of a federal S corporation for which the election to treat the corporation as a New York S corporation was in effect for the taxable year, or if you were not eligible to make the election to treat your corporation as a New York S corporation because the corporation is not subject to Article 9-A franchise tax, include on line 42 additions A through C and subtractions D through G and I, described below, that apply to your pro rata share of S corporation items of income, loss or deduction. If the election to be a New York S corporation terminated during the taxable year, you must allocate these items (see Publication 382, *How to Figure Your New York Additions and Subtractions*, for more information). Obtain your share of S corporation items from the S corporation's Form CT-3-S.

If you are a shareholder of a federal S corporation that did not elect to be a New York S corporation, include subtraction H only.

Additions

- A** Interest expense on money borrowed to purchase or carry bonds or securities, whose interest is subject to New York income tax but exempt from federal income tax, if this interest expense was not deducted on your federal return or shown as a New York subtraction on the front page of your New York State return.
- B** Ordinary and necessary expenses paid or incurred during 1990 in connection with income, or property held for the production of income, which is subject to New York income tax but exempt from federal income tax, if these expenses were not deducted on your federal return or shown as a New York subtraction on the front page of your New York State return.
- C** Amortization of bond premium attributable to 1990 on any bond whose interest income is subject to New York income tax but exempt from federal income tax, if this amortization was not deducted on your federal return or shown as a New York subtraction on the front page of your New York State return.

Subtractions

- D** Interest expense on money borrowed to purchase or carry bonds or securities, whose interest is exempt from New York income tax.
- E** Ordinary and necessary expenses paid or incurred in connection with income, or property held for the production of income, which is exempt from New York income tax, but only to the extent deducted in figuring your federal taxable income.
- F** Amortization of bond premium attributable to 1990 on any bond whose interest income is exempt from New York income tax, but only to the extent deducted in figuring your federal taxable income.
- G** Your distributive or pro rata share of deductions from an insurance business operating as a member of the New York Insurance Exchange (section 617-a of the Tax Law).
- H** If you are a shareholder of a federal S corporation that did not elect to be a New York S corporation, any S corporation deductions included in your federal itemized deductions. If an S corporation

short year is involved, you must allocate those deductions (see Publication 382, *How to Figure Your New York Additions and Subtractions*, for more information).

- I Five percent of your deduction for interest related to corporate acquisitions to the extent the interest was deducted in figuring the New York itemized deduction (section 615(c)(7) of the Tax Law). If this subtraction applies, complete Form IT-244, *Acquisition Information Report*. Attach a separate schedule to your return showing your computation.

Line 43

If line 42 is an addition, add lines 41 and 42 and enter the total on line 43. If line 42 is a subtraction, subtract line 42 from line 41 and enter the result.

If you made no entry on line 42, enter the amount from line 41 on line 43.

Line 44

Itemized deduction adjustment

Enter the amount of your itemized deduction adjustment. If Form IT-203, line 30 is:

- \$100,000 or less, enter "0" on line 44.
- more than \$100,000 but not more than \$475,000, fill in **Worksheet A** below.
- more than \$475,000 but not more than \$525,000, fill in **Worksheet B** below.
- more than \$525,000, enter 50% (.50) of line 43 on line 44.

Worksheet A	
1. New York adjusted gross income from Form IT-203, line 30	1. _____
2. Filing status ① or ③ enter \$100,000, or filing status ④ enter \$150,000 or filing status ② or ⑤ enter \$200,000	2. _____
3. Subtract line 2 from line 1. (If line 2 is more than line 1, enter "0" on Form IT-203, line 44. Do not continue with this worksheet)	3. _____
4. Enter the lesser of line 3 or \$50,000	4. _____
5. Divide line 4 by \$50,000 and carry the result to four decimal places	5. _____
6. Enter 25% of Form IT-203, line 43	6. _____
7. Multiply line 5 by line 6	7. _____
Transfer this amount to Form IT-203, line 44.	

Worksheet B	
1. Enter the excess of New York adjusted gross income over \$475,000 (cannot exceed \$50,000)	1. _____
2. Divide line 1 by \$50,000 and carry the result to four decimal places	2. _____
3. Enter 25% of Form IT-203, line 43	3. _____
4. Multiply line 2 by line 3	4. _____
5. Add lines 3 and 4	5. _____
Transfer this amount to Form IT-203, line 44.	

Line 45

Itemized deduction

Subtract line 44 from line 43 and enter the result on line 45.

Line 46

Transfer the front page, line 30 amount to the back page, line 46.

Line 47

Standard or itemized deduction

The deduction you take on line 47 depends on which deduction you took on your federal return.

- If you took the standard deduction on your federal return or you did not have to file a federal return, you must take the standard deduction on line 47. Find the correct amount for your filing status in the following table and be sure to check the standard deduction box on line 47.

Standard Deduction Table	
Filing Status	Standard Deduction - enter on Form IT-203, line 47
① Single and you checked item C Yes	\$2,800
① Single and you checked item C No	6,000
② Married filing joint return	9,500
③ Married filing separate return	4,750
④ Head of household (with qualifying person)	7,000
⑤ Qualifying widow(er) with dependent child	9,500

- If you itemized your deductions on your federal return, fill in lines 31 through 45 and compare the line 45 amount to your standard deduction shown in the table above. Your tax will be less if you enter on line 47 the **larger** of these amounts (if you checked filing status ③, see *Caution* below). To show which deduction you are taking, be sure to check either the standard or the itemized deduction box on line 47.

Caution - If you are married and filing separate returns (filing status ③), both of you must take the standard deduction unless both of you itemized deductions on your federal returns and both of you elect to itemize deductions on your New York returns.

Line 48

Subtract the amount on line 47 from the amount on line 46 and enter the result on line 48.

Line 49

Dependent exemptions

Enter on line 49 the number of your dependent exemptions from the *Dependent Exemption Worksheet* in the next column. If you filed federal Form 1040EZ, enter "0."

If you did not have to file a federal return, enter on lines a and b of the worksheet the number of exemptions that would be allowed for federal income tax purposes.

Dependent Exemption Worksheet	
Exemptions are allowed only for your dependents. Personal exemptions for you and for your spouse, if you are married, are no longer allowed.	
a. Enter the number of exemptions claimed on federal Form 1040A or 1040, line 6e	a. _____
b. Enter the total number of boxes checked on federal Form 1040A or 1040, line 6a and line 6b	b. _____
c. Subtract line b from line a. This is the number of your dependent exemptions to enter in the white space on Form IT-203, line 49	c. _____
<i>Example - If the result on line c above was "2," the entry on Form IT-203, line 49 would be:</i>	
49	2,000 00
<i>Since the value of each dependent exemption is \$1,000, the total value of dependent exemptions in this example is \$2,000.</i>	

Line 50

Taxable income

Subtract the amount on line 49 from the amount on line 48 and enter the result on line 50.

Line 51

New York State Tax

Find your New York State tax on the amount on line 50 by using the *New York State Tax Table* on green pages 25 through 32 of these instructions. Be sure you use the correct column. After you have found the correct tax, enter that amount on line 51.

There is an example at the beginning of the table to help you find the correct tax.

If you used Form IT-230, Part II to figure your tax on the capital gain portion of your lump-sum distribution, include the amount of tax from Form IT-230, Part II, line 2 in the total for line 51. In the margin to the right of the total, write *IT-230 CG* (IT-230 Capital Gain) and show the amount. Attach Form IT-230 to your return.

Credits/Other Taxes/ Gift/Totals

Line 52

New York State child and dependent care credit

Enter the amount of New York State child and dependent care credit. You can claim this credit if you were allowed a credit for child and dependent care on your federal income tax return.

Enter in the boxes on line 52 the number of qualifying persons cared for in 1990 and the amount of **federal credit** for child and dependent care from federal Form 2441 (if you filed federal Form 1040) or from federal Form 1040A, Schedule 2, Part II. You can claim 20% of your federal credit.

Line 53 New York State household credit

Enter your New York State household credit. You qualify to claim this credit if you checked the No box for item C on the front page of your Form IT-203 and if you checked:

- filing status ① **only (Single)** and the amount on Form IT-203, line 19, *Federal Amount* column, is **not** over \$28,000; or
- filing status ②, ③, ④, or ⑤ and the amount on Form IT-203, line 19, *Federal Amount* column, is **not** over \$32,000.

Filing status ① only (Single) - Use *Household Credit Table I* below to find the amount of your New York State household credit.

Filing status ②, ④ and ⑤ - Use *Household Credit Table II* below to find the amount of your New York State household credit.

Filing status ③ only (Married filing separate return) - Use *Household Credit Table III* below to find the amount of your New York State household credit.

New York State
Household Credit Table I
Filing status ① only (Single)

If Form IT-203, line 19, *Federal Amount* column is:

Over	but not over	enter on Form IT-203, line 53:
\$ 0	\$ 5,000	\$75
5,000	6,000	60
6,000	7,000	50
7,000	20,000	45
20,000	25,000	40
25,000	28,000	20
28,000		No credit is allowed; enter "0" on Form IT-203, line 53.

New York State
Household Credit Table II
Filing status ②, ④ and ⑤

If Form IT-203, line 19, *Federal Amount* column is: And the number of exemptions from your federal return, line 6e, is:

Over	but not over	1	2	3	4	5	6	7	over 7 *
Enter on Form IT-203, line 53:									
\$ 0	\$ 5,000	\$ 90	105	120	135	150	165	180	15
5,000	6,000	75	90	105	120	135	150	165	15
6,000	7,000	65	80	95	110	125	140	155	15
7,000	20,000	60	75	90	105	120	135	150	15
20,000	22,000	60	70	80	90	100	110	120	10
22,000	25,000	50	60	70	80	90	100	110	10
25,000	28,000	40	45	50	55	60	65	70	5
28,000	32,000	20	25	30	35	40	45	50	5
32,000		No credit is allowed; enter "0" on Form IT-203, line 53.							

* For each exemption over 7, add amount in this column to column 7 amount.

New York State
Household Credit Table III
Filing status ③ only (Married filing separate return)

If Form IT-203, line 19, *Federal Amount* column total from both returns is: And the number of exemptions from both federal returns, line 6e, is:

Over	but not over	1	2	3	4	5	6	7	over 7 *
Enter on both Forms IT-203, line 53:									
\$ 0	\$ 5,000	\$45	52.50	60	67.50	75	82.50	90	7.50
5,000	6,000	37.50	45	52.50	60	67.50	75	82.50	7.50
6,000	7,000	32.50	40	47.50	55	62.50	70	77.50	7.50
7,000	20,000	30	37.50	45	52.50	60	67.50	75	7.50
20,000	22,000	30	35	40	45	50	55	60	5
22,000	25,000	25	30	35	40	45	50	55	5
25,000	28,000	20	22.50	25	27.50	30	32.50	35	2.50
28,000	32,000	10	12.50	15	17.50	20	22.50	25	2.50
32,000		No credit is allowed; enter "0" on Form IT-203, line 53.							

* For each exemption over 7, add amount in this column to column 7 amount.

Line 54

Credits before base tax

Add lines 52 and 53 and enter the result on line 54.

Line 55

Base tax

Subtract the amount on line 54 from the amount on line 51 and enter the result on line 55.

Line 56

Income percentage

To figure your income percentage, divide the amount on line 19 in the *New York State Amount* column by the amount on line 19 in the *Federal Amount* column. **Carry your result to four decimal places.** For example, if the amounts used were \$12,000 divided by \$36,000, the result would be .3333.

If the amount on line 19 in the *Federal Amount* column or *New York State Amount* column is zero or less, enter "0" on line 56.

If the amount on line 19 in the *New York State Amount* column is more than the amount on line 19 in the *Federal Amount* column, **the income percentage will be more than 100%.** For example, if the amounts used were \$25,000 divided by \$15,000, the result would be 1.6667.

Line 57

Allocated New York State tax

Multiply the amount on line 55 by the decimal on line 56 and enter the result on line 57.

Line 58

Other New York State credits

Enter the total amount of other New York State credits from Form IT-203-ATT, line 7. These are: resident credit, accumulation distribution credit, investment credit, special additional mortgage recording tax credit, solar and wind energy credit carryover and economic development zone (EDZ) credit. For more information, see *Instructions for Form IT-203-ATT, Part I*, on page 23.

Line 59

Subtract the amount on line 58 from the amount on line 57 and enter the result. If line 58 is more than line 57, enter "0."

Line 60

Other New York State taxes

Enter the total amount of other New York State taxes from Form IT-203-ATT, line 15. These are: separate tax on lump-sum distributions, minimum income tax, add-back of investment credit on early dispositions, add-back of EDZ investment credit on early dispositions and add-back of resident credit for taxes paid to a province of Canada. For more information, see *Instructions for Form IT-203-ATT, Part II*, on page 23.

Line 61

Total New York State taxes

Add lines 59 and 60 and enter the total on line 61.

Lines 62 through 66 apply only to New York City and Yonkers taxes. If you are not subject to New York City or Yonkers taxes, do not fill in these lines.

Line 62

City of New York nonresident earnings tax

Complete line 62 only if you are subject to the New York City nonresident earnings tax.

If you were not a New York City resident but earned wages or conducted a trade or business there (either as an individual or a member of a partnership), you are subject to the New York City nonresident earnings tax. Fill in Form NYC-203, *City of New York Nonresident Earnings Tax Return*, and enter the tax on line 62. Attach Form NYC-203 to the back of your Form IT-203. For more information, see the instructions for Form NYC-203.

Line 63

Other city of New York taxes

Enter on this line the total amount of other New York City taxes from Form IT-203-ATT, line 19. These are: part-year city of New York resident tax, city of New York minimum income tax and city of New York separate tax on lump-sum distributions. For more information, see *Instructions for Form IT-203-ATT, Part III*, on page 24.

If you were a part-year city of New York resident and you used Form IT-230, Part II to figure your New York State tax on the capital gain portion of your lump-sum distribution, include the amount of your city of New York resident tax for the part of the year you were a New York City resident from Form IT-230, Part II, line 2 in the total for line 63. In the margin to the right of the total write **IT-230 CG** (IT-230 capital gain) and show the amount. Attach Form IT-230 to your return.

If you are self-employed and carry on a trade, business or profession in New York City, you may also be required to file Form NYC-202, *City of New York Unincorporated Business Tax Return*. For more information, see the *Instructions for Form NYC-202*. You can get this form and its instructions by calling the NYC Department of Finance. See *How to Get Forms* on page 6. Since New York State does not administer the New York City unincorporated business tax, **do not** file your NYC-202 with your state return.

Line 64

City of Yonkers nonresident earnings tax

Complete line 64 only if you are subject to the Yonkers nonresident earnings tax.

If you were not a Yonkers resident but earned wages or conducted a trade or business there (either as an individual or a member of a partnership), you are subject to the Yonkers nonresident earnings tax. Fill in Form Y-203, *City of Yonkers Nonresident Earnings Tax Return*, and enter the tax on line 64. Attach Form Y-203 to the back of Form IT-203. For more information, see the instructions for Form Y-203.

Line 65

Part-year city of Yonkers resident income tax surcharge

Enter your part-year Yonkers resident income tax surcharge. If you were a Yonkers resident for only part of 1990, fill in Form IT-360.1 and attach it to your return. If you were subject to

the Yonkers nonresident earnings tax for the remainder of the year, see the instructions for Form Y-203. For more information, see IT-360.1-1, *Instructions for Form IT-360.1*.

Line 66

Total city of New York and city of Yonkers taxes

Add lines 62 through 65 and enter the total on line 66.

Line 67

Return a gift to wildlife

If you want to return a gift to wildlife, enter the amount of your gift on line 67.

The amount you give must be in whole dollars: \$5, \$10, \$20, or any other dollar amount. Your gift will reduce your refund or increase your tax payment. Also, you cannot change the amount you give after you file your return.

For more information about returning a gift to wildlife, see page 8 of these instructions.

Line 68

Total New York State, city of New York and city of Yonkers taxes and gift to wildlife

Add lines 61, 66 and 67 and enter the total on line 68.

Payments

Line 69

Total New York State tax withheld

Enter your total **New York State** tax withheld as shown on your wage and tax statement(s), New York State Form IT-2102 or federal Form W-2.

If you checked filing status ②, enter the total New York State tax withheld for you and your spouse.

Attach Copy 2 of your wage and tax statement(s) to the area indicated on the front of your return. If New York State tax was withheld from annuities, pensions, retirement pay or IRA payments, attach Copy 2 of Form IT-2102-P or federal Form W-2P to your return.

If New York State tax was withheld from New York State lottery distributions or horse racing proceeds, attach Copy 2 of Form IT-2102-G or federal Form W-2G to your return.

Also include the amount of your investment credit refund for new businesses in the total for line 69. In the white space to the left of this total, write **ICR** and show the amount.

If you did not have New York City tax withheld, skip line 70.

Line 70

Total city of New York tax withheld

Enter your total **New York City** tax withheld as shown on your wage and tax statement(s).

If you checked filing status ②, enter the total New York City tax withheld for you and your spouse.

Attach Copy 2 of your wage and tax statement(s) to the area indicated on the front of your return. If New York City tax was withheld from annuities, pensions, retirement pay or IRA payments, attach Copy 2 of Form IT-2102-P or federal Form W-2P to your return.

If New York City tax was withheld from New York State lottery distributions or horse racing proceeds, attach Copy 2 of Form IT-2102-G or federal Form W-2G to your return.

If you did not have Yonkers tax withheld, skip line 71.

Line 71

Total city of Yonkers tax withheld

Enter your total **Yonkers** tax withheld as shown on your wage and tax statement(s).

If you checked filing status ②, enter the total Yonkers tax withheld for you and your spouse.

Attach Copy 2 of your wage and tax statement(s) to the area indicated on the front of your return. If Yonkers tax was withheld from annuities, pensions, retirement pay or IRA payments, attach Copy 2 of Form IT-2102-P or federal Form W-2P to your return.

If Yonkers tax was withheld from New York State lottery distributions or horse racing proceeds, attach Copy 2 of Form IT-2102-G or federal Form W-2G to your return.

Line 72

Estimated tax paid/Amount paid with Form IT-370

Enter on this line the total of your estimated tax payments for New York State, New York City and Yonkers. Also enter the amount you paid with Form IT-370, *Application for Automatic Extension of Time to File for Individuals*.

Estimated tax paid
Include on line 72 the total of your 1990 estimated tax payments (include your last installment, even if paid in 1991) and any overpayment from your 1989 return that was applied to your 1990 estimated tax.

If you checked filing status ② but made **separate** 1990 estimated tax payments (Form IT-2105), enter your combined total estimated tax paid.

If you are the beneficiary of a trust and are claiming your share of any overpayment of estimated taxes allocated to you by the trust, include your amount on line 72 and attach a copy of the notification issued by the trust to the front of your return. This notification must include the name and identifying number of the trust and the amount allocated to you.

Do not include any amounts you paid for the **New York City** unincorporated business tax. File the New York City unincorporated business tax directly with the New York City Department of Finance.

Amount paid with Form IT-370
If you filed Form IT-370 to get an extension of time to file Forms IT-203, NYC-203 and Y-203, include on line 72 the amount you paid with Form IT-370. **Attach a copy of Form IT-370 to your return.**

If you checked filing status ② but filed **separate** Forms IT-370, enter the total amount paid by you and your spouse with your separate Forms IT-370.

Line 73

Total payments

Add lines 69 through 72 and enter the result on line 73.

Refund/ Amount You Owe

Line 74

Overpayment

If line 73 is more than line 68, subtract line 68 from line 73 and enter the result on line 74. This is your overpayment.

You can have all or part of this amount refunded to you. Any remainder can be applied to your 1991 estimated tax. Any overpayment credited toward your estimated tax cannot be refunded after April 15, 1991.

Line 75

Refund

Enter the amount of overpayment from line 74 that you want refunded to you. You must file a return to get a refund. The Tax Department will not refund an amount of one dollar or less unless you attach to your return a signed statement asking for it.

Collection of debts from your refund — We will keep all or part of your refund if you owe a federal, New York State, New York City or Yonkers tax liability, past-due spousal or child support in New York State or if a judgment was filed against you because you have not repaid a student loan guaranteed by the New York State Higher Education Services Corporation or a Carl D. Perkins National Defense/National Direct, health professions or nursing student loan provided to students at state-operated units of the State University of New York or the City University of New York. Any amount over your debt will be refunded.

Disclaiming of spouse's debt — If you checked filing status ② and you do not want to apply your part of the refund to your spouse's debt because you are not liable for it, fill in Form IT-280, *Nonobligated Spouse Allocation*. If you are filing Form IT-280 to disclaim your spouse's debt, attach the completed form to your original return. We need the information on it to process your refund as quickly as possible. Once you have filed your return, you cannot amend it to disclaim your spouse's debt. (However, you will be notified if your refund is applied against your spouse's defaulted student loan or past-due spousal or child support and you did not attach Form IT-280 to your return. You will then have ten days from the date of notification to file Form IT-280. However, this will result in a delay in your refund and extra work for you.) For more information, see Form IT-280.

If you have any questions about whether you owe a federal, New York State, New York City or Yonkers tax liability, past-due spousal or child support, whether you have repaid your HESC guaranteed or state or city university student loan, or about the amount owed, call or write to the appropriate agency shown below.

- For a federal tax liability —

(518) 472-3608
I.R.S. Special Procedures Function
Leo O'Brien Federal Building
Clinton and North Pearl Streets
Albany, NY 12207

(718) 596-3770
Internal Revenue Service
P.O. Box 911 G.P.O.
Brooklyn, NY 11202

(716) 846-5439
Internal Revenue Service
P.O. Box 266 Niagara Square Station
Buffalo, NY 14202

(212) 264-1140
Internal Revenue Service
Attn: C: FS 3rd Floor
P.O. Box 2827
New York, NY 10277

- For a New York State, New York City or Yonkers tax liability —

1 800 835-3554
outside NYS (518) 482-0683
NYS Tax Department
Tax Compliance Division
W.A. Harriman Campus
Albany, NY 12227

- For past-due spousal or child support —

(518) 473-8029
NYS Department of Social Services
Office of Child Support Enforcement
Fiscal Operations Unit
P.O. Box 14 - One Commerce Plaza
Albany, NY 12260

- For HESC guaranteed student loans —

(518) 474-1112
NYSHESC
99 Washington Avenue
Albany, NY 12255

- For State University student loans — (Perkins/NDSL/HPSSL/NSL only)

(518) 443-5626
Student Loan Service Center
State University of New York
SUNY Plaza
Albany, NY 12246

- For City University student loans —

(212) 397-5620
Perkins/NDSL/NSL Department
Room 1696
City University of New York
University Accounting Office
555 West 57th Street
New York, NY 10019

Line 76

New York State, city of New York and city of Yonkers estimated tax for 1991

Enter the amount of overpayment from line 74 that you want credited to your New York State, New York City and Yonkers estimated tax for 1991. Do not include any amount that you claimed as a refund on line 75.

Line 77

Amount you owe

If line 73 is less than line 68, subtract line 73 from line 68 and enter the result on line 77. This is the amount you owe.

If you owe more than one dollar, include full payment with your return. (You do not have to pay one dollar or less.) Make your check or money order payable to **New York State Income Tax** and write your social security number and **1990 Income Tax** on it. **Do not send cash.** If you also have to pay an underpayment of estimated tax penalty (line 78), send one check or money order for the total amount (penalty plus tax due).

Attach your payment to the area indicated on the front of your return.

Do not include any penalty or interest amounts on line 77. If you include penalties

or interest with your payment, identify and enter these amounts in the right margin of the back page of Form IT-203 (but not underpayment of estimated tax penalty; see line 78).

Line 78

Estimated tax penalty

If line 77 is at least \$100 and, in addition, represents more than 10% of the tax shown on your return (add lines 61 and 66), or you underpaid your estimated tax liability for any payment period, you may owe a penalty. However, you are not subject to a penalty if your 1990 prepayments equal at least 100% of your 1989 tax (based upon a return covering 12 months). Get Form IT-2105.9, *Underpayment of Estimated Income Tax by Individuals and Fiduciaries*, to see if you owe a penalty and to figure the amount. If you owe a penalty, enter the amount on line 78 and attach Form IT-2105.9 to your return. For more information, see the instructions for Form IT-2105.9.

Do not include any other penalty or interest amounts on line 78. If you include penalties or interest with your payment, identify and enter these amounts in the right margin of the back page of Form IT-203.

Now continue with Step 4 below.

Step 4

Check the figures on your return and any attachments.

Step 5

Complete the top of the front page of your return.

Mailing label — Remove the peel-off label from the cover of your packet and place it in the name and address box at the top of Form IT-203. Check the label to make sure the information on it is complete and correct. The series of numbers along the top of the label shows your social security information and a single letter that indicates the New York State form you filed last year.

- If your name (or your spouse's name) or address is wrong, cross it out and make the corrections directly on the label.
- If your social security number is incorrect or missing - or if you do not have a mailing label - enter the correct information in the white space at the top of Form IT-203. (Your social security number is printed on the upper left corner of the label.)
- If you file a joint return and you and your spouse have different last names, separate the names with the word *and* (e.g., Brown, Mary L. and Smith, John C.).
- If you were a part-year resident, enter in the white space at the top of Form IT-203 the county of the last residence you occupied in New York State. If you were a **nonresident** of New York State for the **entire** year, enter the abbreviation **NR**.

School district name and code number

If you were a **part-year resident**, enter the name and code number of your public school district for the period you were a New York resident. This is the district where you were a resident on December 31, 1990, or the district where you were a resident of New York before you moved out of the state. School districts and code numbers are on pages 37 through 40 of these instructions. If you do not

know the name of your school district, contact your nearest public school.

You must enter your school district name and code number even if you were absent from the school district temporarily, if the school your children attended was not in your school district, or if you had no children attending school. School aid may be affected if the school district or code number is not correct.

If you were a **nonresident** of New York State for the **entire** year, enter the abbreviation **NR**.

Permanent home address

If you are a **part-year resident**, enter your permanent home address for the portion of the year that you were a resident of New York State, if it is **not** the same as your mailing address.

If you moved into the state, enter your permanent home address as of December 31, 1990.

If you moved out of the state prior to December 31, 1990, enter as your permanent home address, the address of the New York State residence you occupied last in 1990.

If you moved after December 31, 1990, enter the address of your permanent home on December 31, 1990, **not** your current home address.

We ask for your permanent home address to verify your school district name and code number, which are used in figuring state aid to local school districts.

Your permanent home address is the address of the dwelling place in New York State that you occupied last in the taxable year, whether you or your spouse own or rent it. A summer or vacation home is not your permanent home.

Your permanent home address is not always the same as the mailing address that is entered on your income tax return. For example, you may use a post office box number for your mailing address: this is not your permanent home address.

- If you use a paid preparer and you use the preparer's address as your mailing address, enter the address of your permanent home in the space provided.
- If you are a permanent resident of a nursing home, enter the nursing home address as your permanent home address.
- If you are in the armed forces and your permanent home was in New York State when you entered the military, enter your New York permanent home address regardless of where you are stationed.
- If you are married and maintain separate New York State residences and are filing separate New York State returns, enter as your permanent home address the address of your own residence.

For additional information, see Publication 45, *Permanent Home Address and School District Information*.

Death of taxpayer - If a taxpayer is deceased, enter the decedent's **first name** and **date of death**.

If you do not have a mailing label, enter all of the following information on the lines at the top of the front page of your return:

- name and address** (both names if filing a joint return);
- permanent home address** (if different from mailing address);
- the decedent's first name and date of death** (if taxpayer is deceased);

- social security number(s)**;
- New York State county of residence** (on December 31, 1990 or the date you last occupied your New York residence, if you are a part-year resident);
- school district name and code number** (if you are a part-year resident).

Step 6

Sign and date your return at the bottom on the back page

You must sign and date your return. If you are married and filing a joint return, you must both sign it. **Your return cannot be processed if you do not sign it.**

You should keep a copy of your return and any attachments in a safe place in case you need to refer to them at a later date. If someone prepares your return for you, be sure to get a copy for your records.

If the return is for someone who died and there is no surviving spouse to sign it, the name and address of the person signing it must be printed or typed below the signature.

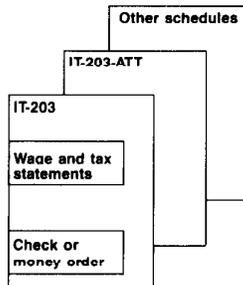
A paid preparer must also sign your return.

If you pay someone to prepare your return, the paid preparer must also sign it and fill in the other blanks in the paid preparer's area of your return. A person who prepares your return and does not charge you should not fill in the paid preparer's area.

Step 7

Attachments

- Attach Copy 2 of your wage and tax statement(s) and your check or money order if you owe any tax, to the areas indicated on the **front** of your return as illustrated below. (Please staple once only.)
- Attach any other forms and schedules you used to the **back** of your return. Staple once only in the upper left corner in the following order:
 1. Form IT-203-ATT;
 2. other New York State forms in form number order; and
 3. any other schedules, including copies of federal schedules.
- If you have to write to us, attach your letter to the front of your Form IT-203.



Step 8

Checklist

Before you mail your return, a quick check will help you avoid common errors that may delay your refund. **Did you:**

- attach your peel-off label?** If you do not have a label, did you enter your name, address and social security number(s) and other information required in Step 5 if you

are a part-year resident, at the top of your return?

- enter your permanent home address**, if you were a part-year resident, for the part of the year you were a resident (if different from your mailing address)?
- check your filing status box?**
- check the Yes or No box at Items B, C and E of Form IT-203?**
- check box 1, 2 or 3 at item D of Form IT-203?**
- enter the number of exemptions claimed on your federal return at item F?**
- check the standard or itemized deduction box on line 47 of Form IT-203?**
- enter your dependent exemption amount on line 49 of Form IT-203?**
- use the correct column of the tax table?**
- figure your New York State child and dependent care credit by entering the number of qualifying persons cared for in 1990 and the amount of federal credit for child and dependent care in the boxes on line 52 of Form IT-203?**
- claim any adjustments or credits that you may qualify for?**
- sign your return** (both husband and wife must sign a joint return)?
- attach Copy 2 of your wage and tax statement(s) to the area indicated on the front of your return?**
- attach Form IT-203-ATT** if you: (1) are claiming other New York State credits; (2) are subject to other New York State or New York City taxes; (3) are allocating wage or salary income on Schedule A, *Allocation of Wage and Salary Income to New York State*; or (4) checked the Yes box at item E of Form IT-203 and must complete Schedule B, *Living Quarters Maintained in New York State by a Nonresident?*
- make your check or money order payable to New York State Income Tax for the full amount you owe?**
- write your social security number and 1990 Income Tax on your check or money order?**

Step 9

Use the preaddressed mailing envelope

To speed your refund, use the preaddressed envelope that came with your tax packet. If you are claiming a refund, mark an "X" in the box on the front of the envelope. If you do not have a preaddressed envelope, address your envelope —

For refund returns:

NYS Income Tax
W. A. Harriman Campus
Refund '90
Albany, NY 12227-0125

For all other returns:

NYS Income Tax
W. A. Harriman Campus
Albany, NY 12227-0125

Resolving Tax Problems

The best ways to avoid tax problems are to keep accurate tax records and to stay on top of current tax requirements. These instructions contain information that can help you do both; the instructions list free publications you can order and give telephone numbers you can call for answers to your specific questions.

Most tax problems can be resolved informally. If your refund is late, call our refund information number; if you receive a tax deficiency notice that you think is in error, promptly call the telephone number listed on the notice for guidance. These instructions also list telephone numbers for ordering any forms you might need (see *Need Help?* below).

If you have made two or more attempts to resolve your problem and feel that you aren't getting anywhere, you may want to turn to our Problem Resolution Program, which is described on page 8. The program is set up specifically for taxpayers who have tried to resolve their problems through the normal channels but have been unsuccessful.

Only a relative handful of tax problems fail to be resolved by these informal means.

However, if you are issued a *Notice of Deficiency* or a refund denial and you feel

that the Tax Department has made a mistake, you still have a number of options available to you:

- You can request a **conciliation conference** through the Bureau of Conciliation and Mediation Services. The conference is conducted informally by a conferee who issues an order that is binding on the Tax Department, but not on you (you can appeal by filing a petition for a formal hearing, as explained below). To set up a conference, get a *Request for Conciliation Conference* by calling toll free (from New York State only) 1 800 462-8100 (from areas outside New York State, call (518) 438-1073) or by writing to the Bureau of Conciliation and Mediation Services, NYS Tax Department, W.A. Harriman Campus, Albany, NY 12227.
- You can request a **small claims hearing** before an impartial presiding officer if the disputed amount is within certain dollar limitations set by the *Rules of Practice and Procedure*. The presiding officer's decision is final, but at any time before the end of the small claims hearing, you can request a transfer to a formal hearing before an administrative law judge. A copy of the *Rules of Practice and Procedure*

will be sent to you when you request a petition form as explained below.

- You can file a petition for a **tax appeals hearing**. The hearing is held before an administrative law judge, and both you and the Tax Department may appeal the judge's decision to the Tax Appeals Tribunal. The Tax Department cannot seek a review of the Tribunal's decision, but you can by instituting an Article 78 proceeding in the Appellate Division of the State Supreme Court. You can get the petition forms by writing to the Division of Tax Appeals, Riverfront Professional Tower, 500 Federal Street, 4th Floor, Troy, NY 12180-2894.

Regardless of which appeal option you exercise, you may appear on your own behalf or you may have an authorized representative present your case for review. An authorized representative must have Power of Attorney from you in order to appear on your behalf. Further, your representative must be in compliance with the Ethics in Government Act which restricts appearances by former Tax Department employees. A summary of these restrictions is included on the back of Form DTF-14, *Power of Attorney (Individual)*.

See Page 23 for instructions for Form IT-203-ATT.

Need Help?

Phone For forms and publications, call toll free (from New York State only) 1 800 462-8100.
From areas outside New York State, call (518) 438-1073.

For information, call toll free (from New York State only) 1 800 CALL TAX (1 800 225-5829).
From areas outside New York State, call (518) 438 8581.

Telephone assistance is available from 8:00 a.m. to 5:00 p.m., Monday through Friday.

Write If you need to write, please address your letter to:

NYS Tax Department
Taxpayer Assistance Bureau
W. A. Harriman Campus
Albany, NY 12227

Privacy Notification

Our authority to require personal information, including social security numbers, is found in sections 651, 652, 658, 697, 1306, 1312, 1332 and 1342 of the Tax Law, Article 2-E of the General City Law, and Part 152 of our personal income tax regulations.

We will use this information primarily to process your tax return and collect your personal income tax for the state or city of New York, the income tax surcharge on residents for the city of Yonkers or the earnings tax on nonresidents for the city of New York or Yonkers, whichever may apply to you. We may also use it to help enforce other taxes under the Tax Law, for tax refund offset programs and exchange of tax information programs authorized by sections 171-a, 171-b, 171-c, 171-d, 171-e and 697 of the Tax Law, and for any other purposes authorized by law.

Your failure to provide the required information may subject you to civil or criminal penalties, or both, under the Tax Law or the Penal Law.

Our authority to maintain this information is found in section 697(e) of the Tax Law and section 152.8 of our personal income tax regulations. This information will be maintained by the Director, Data Management Services Bureau, NYS Tax Department, Building 8, Room 905, W. A. Harriman Campus, Albany, NY 12227; telephone (from New York State only) 1 800 CALL TAX (1 800 225-5829); from outside New York State, call (518) 438 8581.

Instructions for Form IT-203-ATT, Summary of Other Credits and Taxes

Purpose of Form IT-203-ATT — If you are claiming other New York State credits or if you are subject to other New York State or New York City taxes or if you are required to complete Schedule A, *Allocation of Wage and Salary Income to New York State*, or if you are required to complete Schedule B, *Living Quarters Maintained in New York State by a Nonresident*, fill in Form IT-203-ATT and attach it to your nonresident and part-year resident return. If you need more forms or schedules, see *How to Get Forms* on page 6 of these instructions.

Part I — Other New York State Credits

If you are claiming other New York State credits listed below, fill in Part I. These credits do not apply to New York City taxes. New York State does not allow any credits similar to those allowed under federal law for the elderly, earned income, etc.

Line 1

Resident credit

Enter the amount of resident credit. If your income was from sources outside New York State while you were a New York State resident and if you paid income taxes to another state, to a local government of another state, to the District of Columbia or to a province of Canada, you may qualify for a tax credit against your New York State tax (section 620 of the Tax Law).

If you qualify, figure this credit on Form IT-112-R, *Resident Tax Credit*, and transfer the amount to Form IT-203-ATT, line 1. Attach Form IT-112-R and a copy of the tax return filed with the other state, or province of Canada, to your New York State return. For more information, see Form IT-112-R. For information on the resident credit against the separate tax on lump-sum distributions, see line 9 instructions on this page.

Line 2

Accumulation distribution credit

Enter the amount of New York State accumulation distribution credit. If you are a beneficiary of a trust who received an accumulation distribution, you may be allowed a credit for New York State income taxes paid by the trust (sections 621 and 635 of the Tax Law). Attach a schedule showing how you figured your credit.

Line 3

Investment credit

Enter the amount of investment credit. You can claim an investment credit if 1) you produce goods by manufacturing, processing, mining, agriculture or similar activities; 2) you use certain property for research and development purposes, pollution control purposes, waste treatment purposes; or 3) if your business is a retail enterprise and you have qualified rehabilitation expenditures on property located in New York State (section 606(a) of the Tax Law). To figure this credit, fill in Form IT-212, *Investment Credit*, and attach it to your return. For more information, see IT-212-1, *Instructions for Form IT-212*.

Line 4

Special additional mortgage recording tax credit

If you are a shareholder of an electing New York S corporation, include on line 4 your prorated share of the S corporation's special additional mortgage recording tax credit from Form CT-3-S.

For all others, 1987 was the last year that this credit could be claimed. However, any unused credit from a prior year can be carried over. Include on line 4 your special additional mortgage recording tax credit carryover for 1990. Attach a schedule showing how you figured your credit carryover.

See additions A-4 and A-5 on page 14 of these instructions.

Line 5

Solar and wind energy credit carryover from 1989

Enter the amount of solar and wind energy credit carryover. This carryover can be claimed only if you previously figured the credit as a New York State resident and did not use all of the credit on your prior tax return. 1985 was the last year that this credit could be claimed. Section 606(g)(6) provides that any unused credit can be carried over to the following year or years. Taxpayers carrying over any unused credit from 1989 to 1990 must attach Form IT-218.1, *Solar and Wind Energy Credit Carryover*, to their 1990 return.

Line 6

Economic development zone (EDZ) credit

EDZ wage tax credit - Enter the amount of wage tax credit. In order to claim the wage tax credit, a taxpayer must be certified under Article 18-B of the General Municipal Law as eligible to receive the wage tax credit. The computation of the wage tax credit is limited to five tax years. The wage tax credit must be computed in the first tax year during which payments of EDZ wages are made and in each of the four following tax years (section 606(k) of the Tax Law).

If you qualify, figure this credit on Form DTF-601, *Claim for Economic Development Zone Wage Tax Credit*, and include the amount on Form IT-203-ATT, line 6. Attach Form DTF-601 to your return. For more information, see Form DTF-601 and its instructions, Form DTF-601-1.

EDZ capital corporation tax credit — Enter the amount of capital corporation tax credit. The EDZ capital corporation tax credit is 25% of the consideration paid for original issue stock purchased during the tax year from one or more economic development zone capital corporations established pursuant to section 964 of the General Municipal Law (section 606(l) of the Tax Law).

If you qualify, figure this credit on Form DTF-602, *Claim for Economic Development Zone (EDZ) Capital Corporation Tax Credit*, and include the amount on Form IT-203-ATT, line 6. Attach Form DTF-602 to your return. For more information, see Form DTF-602 and its instructions.

EDZ investment tax credit — Enter the amount of investment tax credit. The EDZ investment tax credit is 8% of the cost (or other federal basis) of qualified property which was acquired, constructed, reconstructed or erected in an economic development zone after its date of designation and prior to its date of expiration as an economic development zone. To claim this credit, you must also be certified pursuant to Article 18-B of the General Municipal Law (section 606(j) of the Tax Law).

If you qualify, figure this credit on Form DTF-603, *Claim for Economic Development Zone (EDZ) Investment Tax Credit and Additional EDZ Investment Tax Credit*, and include the amount on Form IT-203-ATT, line 6. Attach Form DTF-603 to your return. For more information, see Form DTF-603 and its instructions, Form DTF-603-1.

Line 7

Total

Add lines 1 through 6; enter the total on line 7 and transfer it to Form IT-203, line 58.

Part II — Other New York State Taxes

If you are subject to other New York State taxes as listed below, complete Part II.

Line 8

New York State separate tax on lump-sum distributions.

Enter your New York State separate tax on lump-sum distributions which you received while a resident of New York or which were wholly or partly derived from or connected with New York sources while you were a nonresident. If you used federal Form 4972 to figure your federal tax on lump-sum distributions, figure your state separate tax on Form IT-230 for the lump-sum distributions you received while you were a resident of New York and for lump-sum distributions which were wholly or partly derived from or connected with New York sources while you were a nonresident. Attach Form IT-230 to your return. For more information, see IT-230-1, *Instructions for Form IT-230*.

Line 9

Resident credit against separate tax on lump-sum distributions

Enter the amount of resident credit you are claiming against the separate tax on lump-sum distributions. If you received a distribution which is considered a lump-sum distribution for federal income tax purposes, you may qualify for a credit against the state separate tax on lump-sum distributions reported on line 8. This distribution must be from sources outside New York State which you received while you were a resident of New York State and must be subject to income tax or to a separate tax by another state, by a local government of another state, by the District of Columbia, or by a province of Canada.

To claim this credit, fill in Form IT-112.1, *Resident Credit Against Separate Tax on*

Lump-Sum Distributions. Attach Form IT-112.1 and a copy of the tax return filed with the other state or province of Canada to your New York State return.

Line 10

Subtract line 9 from line 8 and enter the result.

Line 11**New York State minimum income tax**

Enter your New York State minimum income tax. If you had tax preference items (e.g., appreciated property charitable deduction) during the period you were a New York resident or if you had tax preference items from New York State sources during the period you were a nonresident totaling more than your allowable specific deduction, you may be subject to the state minimum income tax. Fill in Form IT-220 and attach it to your nonresident and part-year resident return. For more information, see IT-220-I, *Instructions for Form IT-220*.

Line 12**Add-back of investment credit on early dispositions**

Enter the amount of add-back of investment credit on early dispositions of investment credit property. If you dispose of property on which an investment credit has been taken, or prior to January 1, 1987, a research and development credit was taken, or if the property ceases to be in qualified use before the end of its useful life or specified holding period ends, you must add back in the year of disposition the difference between the investment credit or research and development credit taken and the investment credit or research and development credit allowed. Fill in Form IT-212 and attach it to your nonresident and part-year resident return.

Line 13**Add-back of economic development zone investment tax credit on early dispositions**

Enter the amount of add-back of economic development zone investment tax credit on early dispositions of qualified property located within the economic development zone. If you dispose of property on which an EDZ investment tax credit has been taken or if the property ceases to be in qualified use before the end of its useful life or specified holding period ends, you must add back in the year of disposition the difference between the EDZ investment tax credit taken and the EDZ investment tax credit allowed. Fill in Form DTF-603 and attach it to your nonresident and part-year resident return.

Line 14**Add-back of resident credit for taxes paid to a province of Canada**

Enter the amount of add-back of resident credit for taxes paid to a province of Canada while you were a New York State resident from Form IT-112-R. If any part of the provincial tax that entitled you to a resident credit in a previous year is claimed as a foreign tax credit on your federal return in a succeeding year, you must add back the amount that exceeded your provincial resident tax credit in that succeeding tax year. Attach Form IT-112-R to your return.

Line 15**Total**

Add lines 10 through 14, enter the total on line 15, and transfer this amount to Form IT-203, line 60.

Part III — Other City of New York Taxes

If you are subject to other New York City taxes as listed below, complete Part III.

Line 16**Part-year city of New York resident tax**

Enter your part-year New York City resident tax. If you were a New York City resident for only part of 1990, fill in Form IT-360.1 and attach it to your nonresident and part-year resident return. If you were subject to the New York City nonresident earnings tax for the remainder of the year, see the instructions for Form NYC-203. For more information, see IT-360.1-I, *Instructions for Form IT-360.1*.

Line 17**City of New York minimum income tax**

Enter your New York City minimum income tax. If you were a New York City resident for part of the year and you are subject to the New York State minimum income tax for that part of the year you were a resident of New York City, you must also figure your **New York City** minimum income tax on Form IT-220 and attach it to your nonresident and part-year resident return. For more information, see IT-220-I, *Instructions for Form IT-220*.

Line 18**City of New York separate tax on lump-sum distributions**

Enter your New York City separate tax on lump-sum distributions which you received while a resident of New York City. If you were a part-year New York City resident and if you used federal Form 4972 to figure your federal tax on lump-sum distributions, figure your New York City separate tax on Form IT-230 for that part of the year you were a resident of New York City. Attach it to your nonresident and part-year resident return. For more information, see IT-230-I, *Instructions for Form IT-230*.

Line 19**Total**

Add lines 16 through 18; enter the total on line 19 and transfer this amount to Form IT-203, line 63.

Line 20**Investment credit refund for new businesses**

Enter the amount of investment credit refund for new businesses. If your new business qualifies, you can claim a refund for the amount of your current year's unused

investment credit, instead of carrying it over to next year. For more information see IT-212-I, *Instructions for Form IT-212*.

Also include the amount of your investment credit refund for new businesses on Form IT-203 in the total for line 69. On the dotted line to the left of this total, write *ICR* and show the amount.

Line 21**Net investment credit available for carryover to 1991.**

Enter the amount of net credit available for carryover to 1991 from Form IT-212, line 28.

Line 22**Net economic development zone credit available for carryover to 1991**

Enter the amount of net credit available for carryover to 1991 from Form(s) DTF-601 or DTF-603.

Schedule A

Allocation of Wage and Salary Income to New York State

Complete this schedule if you earned income in and out of New York State and your income is not based on the volume of business transacted.

Failure to complete Schedule A and attach it to your Form IT-203 will result in a delay in the processing of your return.

For more information about Schedule A, see page 10 of these instructions.

Schedule B

Living Quarters Maintained in New York State by a Nonresident

Complete this schedule if you checked the Yes box for item E on the front of Form IT-203. If you or your spouse had living quarters available for your use in New York State during any part of 1990, enter the address(es). These living quarters would include a house, apartment, co-op or any other living quarters maintained or paid for by you or your spouse, or any living quarters maintained for your primary use by another person, family member or employer.

Give the number of days you were in New York State, even if on personal business. Do not count days you traveled through New York State to use a common carrier such as an airplane, train or bus.